The American Labor Legislation Review

JOHN B. ANDREWS, Editor — FREDERICK W. MACKENZIE, Associate Editor

Vol. XIII — JUNE, 1923 — No. 2

CONTENTS

The AMERICAN LABOR LEGISLATION REVIEW is published quarterly by the American Association for Labor Legislation, 131 East 23rd St., New York, N. Y. The price is $1 a single copy, or $3 a year in advance. Annual subscription includes individual membership in the Association. Entered as second-class matter February 20, 1911, at the post office at New York, N. Y., under the Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Section 1103, Act of October 3, 1917, authorized on July 13, 1918.

"THE appearance of the study of 'Business Cycles and Unemployment,' which the McGraw-Hill Book Company has brought out for the research committee set to work by Secretary Hoover, is peculiarly timely. * * * Wesley C. Mitchell of the National Bureau of Economic Research had general direction of studies. The book itself is the joint product of many scholars and business men, and it may fairly be said to be **the soundest discussion of recurrent cycles of prosperity and depression to be found in American literature.** In two ways especially it should be useful now. First of all, it retrieves the business cycle from the sphere of magic and of mystery and subjects it to scientific description and diagnosis. Instead of calling influenza the black plague and bewailing it as a curse from God in mediaeval fashion, the economists focus attention on a germ disease susceptible of treatment. This is a great advance in popular thinking if not in technical discussion."—**New York *Globe*.**

A Victory for Liberal Compensation Administration

AS this number of the REVIEW goes to press, action of far-reaching importance has been taken at Washington to uphold sympathetic and effective administration of accident compensation legislation.

The Department of Justice, in a decision rendered May 17, confirms the full authority of the United States Employees' Compensation Commission to pay compensation for disabilities arising out of occupational diseases. This decision reverses an earlier ruling by Comptroller General McCarl who took it upon himself to hold that occupational diseases were not covered by the federal compensation law and that compensation could be paid only for disability resulting from a personal injury definitely determinable by place and hour.

Under the arbitrary construction of the act by the Comptroller General, and his refusal to honor awards for occupational diseases, further payments were stopped to some 200 employees disabled by illness growing out of their employment. These unfortunates suffered from a variety of occupational diseases, including lead, mercury, carbon monoxide and TNT poisoning, anthrax and in some instances tuberculosis.

In over-ruling this assumption of power by the Comptroller General, the Attorney General holds that the compensation commission "has the power, by virtue of the act under which it was created, to construe the terms of the said act, and that any construction so rendered is **final and beyond interference by other government officials.**"

Furthermore, the Attorney General declares: "**The fundamental purpose of an employee compensation act is a humanitarian one. It should be, therefore, administered with some regard for humanitarian principles.** The Em-

ployees' Compensation Commission, acting in accordance with powers conferred on it by law, has construed a term 'personal injury' in the manner best suited to carry out the purposes of the law."

The Attorney General's opinion clearly sets forth the intention of Congress. It goes all the way in upholding the consistent interpretation and careful administration of the law by the federal compensation commission.

The American Association for Labor Legislation drafted the federal compensation law—which protects half a million civilian employees of the government—and took the lead in the legislative campaign which brought about its enactment in 1916. It has also actively assisted in combatting the attempt of the Comptroller General to limit the scope of the act and interfere with its proper administration. The Association sees in the strongly favorable opinion of the Attorney General a confirmation of the humanitarian spirit and intent of the law and its administration that will be of especial interest to compensation administrators throughout the country, as well as to labor organizations, women's clubs and other groups that assisted in the legislative campaign. Indirectly, the opinion should be influential in securing the right kind of occupational disease compensation in the states.

JOHN B. ANDREWS, *Secretary*,
American Association for Labor Legislation.

Legislative Notes

NOTEWORTHY among the results of the legislative sessions thus far in 1923 is the adoption by many states of amendments to strengthen their **accident compensation laws** along the lines of the "Standards" of the American Association for Labor Legislation.

◇

PENNSYLVANIA—one of the greatest industrial commonwealths in the world—has enacted an **old age pension law,** signed May 10 by Governor Pinchot. Two additional states—Montana and Nevada—have this year adopted pioneer legislation for old age assistance.

◇

COMMENTING on the passage of the Vare **old age pension** bill in Pennsylvania, the Philadelphia *Evening Public Ledger* remarks that this favorable action is an endorsement of "the theory that it is better to maintain the aged indigents in their own homes by a weekly or monthly dole than to confine them in public institutions," and adds that the same principle is embodied in the mothers' pension law.

◇

AMONG the mysteries of "behind the scenes" in legislative chambers—perhaps more numerous than usual in 1923—the fate of the Blackwell bill, improving the workmen's compensation law in New Jersey, is conspicuous. This measure passed both houses, "but," as Attorney General Thomas F. McCran writes to the Association for Labor Legislation, May 11, **"for some reason yet unexplained, the bill failed to reach the governor."** An official investigation is now under way to determine the status of the bill.

◇

A BILL for **one day's rest in seven** was passed by the Minnesota legislature and signed by the Governor, April 17.

◇

A MOTHERS' pension bill was passed May 9 by the Rhode Island legislature. Since 1911 **mothers' pension laws** have been enacted in forty-four American states and territories.

◇

THIRTY-SEVEN states have accepted by legislative action the provisions of the Sheppard-Towner **maternity and infancy act.** New York and Wisconsin are the most recent additions to the list. In New York favorable action was secured only as a result of a most strenuous legislative campaign by United Organizations, representing a million women in this state, and by other civic, social service and labor bodies.

As a result of the United States Supreme Court decision declaring unconstitutional the District of Columbia **minimum wage law** for women, an amendment to the federal constitution is being prepared by the National Consumers' League to restore to Congress and to give the states—if it is not already theirs—the power to protect the health of the wage-earners through minimum wage laws.

◇

At the annual meeting of the National Child Labor Committee, held in Washington, D. C., on May 18, the proposed **child labor amendment** to the United States Constitution, and employment of children in the sugar beet fields were discussed.

◇

The secretary and the assistant secretary of the American Association for Labor Legislation addressed the national convention of the Women Voters' League at Des Moines, Iowa, April 9, on the need for state laws to **protect mothers against work in industry immediately before and after childbirth,** and for legislation to aid in permanently combatting unemployment by providing for the **long range planning of public works** and the **creation by industry of reserve funds against depressions.**

◇

Early in May a special national conference in Washington considered the future of **vocational rehabilitation** of persons disabled in industry or otherwise. Under federal encouragement this work has been inaugurated in 36 states covering 84 per cent of the country's population. The Federal Board for Vocational Education was unanimously commended by state officials for its "wise and liberal policy" in "helping to start the work on a sound, practical and efficient basis." The following committee on national legislation was created: Lewis H. Carris, John C. Faries, Lewis T. Bryant, R. M. Little, John B. Andrews, Charles H. Verrill and C. A. Fulmer.

◇

If the United States Coal Commission, which is to report shortly, should reach a clear conclusion as to the advisability of universal application of known remedies for coal mine explosions, it will appropriately supplement its other information concerning irregularity of work in that most disorganized of all American industries. The importance of this is again emphasized by the recent mine disaster near Aguilar, Colorado, on May 5. In this **most recent mine explosion** ten miners lost their lives.

◇

An opinion has been obtained by Governor Scrugham of Nevada from the attorney general that the **old age pension law** approved March 5 is constitutional.

◇

A favorable report has been made by the Senate judiciary committee on the **unemployment compensation bill** in the Wisconsin legislature.

ESTABLISHMENT of an **unemployment insurance fund** in the Chicago territory of the Amalgamated Clothing Workers of America was announced in May in connection with an award by a joint board of arbitration increasing wages.

◇

IN Minnesota a bill for **unemployment insurance** was reported by the Senate committee on labor but failed of passage.

◇

ELIMINATION of the **fear of unemployment,** which dominates the minds of the great mass of workers, is necessary to secure the highest efficiency in a factory system, declared S. L. Bush, research manager for the Crocker McElwain Company, Holyoke, Massachusetts, in a recent address.

◇

REFUSING after a close fight to pass the standard **old age pension** bill, the Massachusetts legislature has provided for the appointment of yet another legislative commission to investigate the subject. Twenty-five thousand dollars are appropriated for the expenses of the investigation.

◇

AN unpaid commission of five has been created in Indiana to report upon the advisability of replacing the present system for care of aged dependents by state **old age pensions.**

◇

IN the case of Nedala *v.* Mares Auto Co. the Supreme Court of Nebraska recently ruled that **employers failing to insure** their compensation risks, or comply with self-insurance requirements, are subject either to common law suits or compensation claims according to the choice of their employees.

◇

ARIZONA has enacted a **minimum wage law** for women which fixes $16 a week as the lowest rate that can be paid working women.

◇

THE fiftieth session of the **National Conference of Social Work** was held May 16 to 23 in Washington, D. C., with one day devoted to industrial legislation.

◇

INDUSTRIAL Commissioner Shientag of New York has appointed Martin H. Christopherson of Yonkers as **director of safety service** in the state insurance fund. The commissioner plans to develop the safety service so as to stimulate the adoption of measures of accident prevention.

◇

A RECENT comparison of provincial workmen's compensation laws, published in the Canadian *Labour Gazette* for April, 1923, indicates that in no case is the non-compensated **"waiting period"** in a Canadian law longer than seven days.

REDUCTION of the waiting period from seven to three days; increase in temporary and permanent disability awards and in death benefits to orphan children; extension of coverage of the act, and revision of the merit rating system are among the more important 1923 amendments to the Washington **state accident compensation law.**

◇

THE non-compensated waiting period under the Massachusetts **accident compensation law** has been reduced from ten to seven days.

◇

AMONG numerous recent amendments improving the Oklahoma **accident compensation law** are those reducing the non-compensated waiting period from seven to five days, increasing compensation from 50 per cent to 66⅔ per cent of wages, and increasing the coverage of the act. Also in line with progressive standards is the constitutional amendment passed by the legislature for submission to the voters to make possible the coverage of death cases now necessarily excluded from the Oklahoma law.

◇

WISCONSIN has enacted a law providing that "any issue of fact in any case relating to violation of restraining orders or **injunctions** shall be tried by a jury." Secretary John J. Handley of the state federation of labor says: "We consider it a great gain—something the American Federation of Labor has been demanding for years; that is, the right of trial by jury in contempt cases."

◇

THE **International Association of Industrial Accident Boards and Commissions** will meet in St. Paul, September 24 to 27, for its tenth annual convention.

◇

AMENDMENTS made this year in Colorado's **accident compensation law** include an increase of the weekly maximum from $10 to $12 and of the funeral benefit from $75 to $125, as well as provision for payment during the "healing period" in permanent partial disability cases.

◇

A SIXTY-PAGE pamphlet issued by Ralph M. Easley of the National Civic Federation, under the title "The Youth Movement: Do we Want It here?" attacking the National Student Forum and its executive secretary, George D. Pratt, Jr., has aroused college students and university presidents to indignant protest. Mr. Easley particularly assailed the activities of the Forum in bringing foreign students to American colleges to **exchange international information and ideas,** declaring that it was a subtle attempt to spread Bolshevism, Communism and what not among our youth. President Albert E. Kirk of Southwestern College, Winfield, Kansas, a Methodist Institution, wrote: "Our teachers unite in declaring that their visit has done much to awaken larger interest upon the part of our students in world affairs. I

wish to register my conviction that your pamphlet is not worthy of an organization as great as the National Civic Federation is supposed to be." Among others who retorted in a similar vein are Governor Sweet of Colorado, Dr. H. C. Gossard of Wyoming, David Starr Jordan of Leland Stanford, and President Reinhardt of Mills College, California.

◇

THE weekly maximum under the Ohio **Workmen's Compensation Law** has been raised from $15 to $18.75 and the maximum for death benefits from $5,000 to $6,500.

◇

AMENDMENTS to the Tennessee **accident compensation law** in 1923 include reduction of the non-compensated waiting period from fourteen to seven days, extension of the act to employers of five or more instead of ten or more men, inclusion of coal mines which were formerly exempt, and increase of the weekly maximum from $11 to a sum ranging from $12 to $15 according to the number of dependents.

◇

DR. I. M. RUBINOW, well known statistician and actuary and authority on social insurance, is director of the **Jewish Welfare Society** of Philadelphia beginning May 1.

◇

THE 1923 **National Safety Congress** will be held at Buffalo, October 1-5.

◇

INDICATIVE of the swing of the **business cycle** toward a period of "good times" the federal census bureau in its survey of current business for April 23 reports that: "Record productive activity in both raw and finished productions occurred in March. * * * Cotton consumption and pig iron production broke all previous records since data for these movements have been available, exceeding even the high records made during the war. * * * Car loadings were the highest on record for this time of year. * * * Sales of life insurance made a new high record since monthly figures became available."

◇

"THE female of the species, it appears, is more patriotic than the male," says *The Survey*. "President Harding and his good friends, Dr. Sawyer and Mr. Brown, proposed a Department of Public Welfare as part of the reorganization of the federal administration. Nothing has come of it, to be sure, but there was some applause for the suggestion. It was left for the Woman Patriot Publishing Company to reveal its true inwardness. Protesting against the projected American tour of Mme. Kalinina, wife of the Soviet president, this indefatigable organization charged, in the newspapers of April Fools' Day, that the effects of a similar tour by Alexandra Kollontai, in 1915 and 1916, 'are still inspiring communist activities and feminist legislation in this country, such as the proposed establishment of a 'Public Welfare Department' similar to the Soviet Welfare Department of which Kollontai

was the first commissar.' The serpent of bolshevik propaganda must have been coiling its slimy length about the pillars of the front porch at Marion! The *Woman Patriot* is outdoing Mr. Easley in making the reactionary attitude ridiculous."

◇

RECENT progress in child welfare legislation was discussed at a **Conference of Child Welfare Commissions** in Washington, May 19, 1922.

◇

REFERRING in his annual report to the **unemployment crisis of 1920-1922,** Secretary of Labor Davis says: "The nation fought its way through this period of unemployment, and to-day the demand for labor practically equals the supply. We are back at normal in our employment. But we have made the startling discovery that normal in America means that approximately a million and a half workmen are detached from any pay roll. Here we have two problems to meet—to prevent a recurrence of the employment depression which threw between five and six million men into idleness and to reduce the number of our workingmen who are daily without means of livelihood." In the United States Employment Service, Mr. Davis points out, "we have a powerful agency" in meeting the problem of unemployment; "its usefulness and the need for its development are plain."

◇

BUSINESS cycles and unemployment will be discussed at a meeting of the **Taylor Society** in Syracuse, Thursday afternoon, June 7.

◇

THE fifty-second annual meeting of the **American Public Health Association** will be held in Boston, October 8 to 11. Industrial hygiene and occupational diseases are among the topics for discussion.

◇

THE **Association of Government Labor Officials of the United States and Canada** held its tenth annual convention in Richmond, Va., May 1 to 4.

◇

JAPAN has enacted a **health insurance law** for factory workers, including maternity benefits.

◇

THE forty-third annual convention of the **American Federation of Labor** will be held in Portland, Oregon, in early October.

◇

THE Kansas Casualty and Surety Company has gone into the hands of a receiver. **Insurance company failures** continue to emphasize, by contrast, the unfailing security of state funds for workmen's accident insurance.

Preparedness

We'd like to see just as many enjoy the picnic as possible, but—

—Copyright, 1923, New York Tribune

It is just as well to load the boat with some regard to the number of life preservers and life boats we carry.

"WE have heard a good deal about 'labor stealing,' but for the most part it is the merest pilfering in comparison with the international 'labor stealing' committed in the name of immigration," wrote Bryce Stewart in this REVIEW for March. "It seems likely that a day is coming when international migration of labor will be largely a matter for arrangement between the employment services of the countries concerned." Cartoonist Darling here presents graphically the danger of stimulating unduly the influx of labor from abroad in "booms," without first **planning for regular employment.**

The Twelve-Hour Shift

By Charles R. Walker
Editor The Atlantic Monthly; *Author, "Steel: The Diary of a Furnace Worker"*

A STATEMENT given out recently by Judge Gary has again focused the public mind upon "the twelve-hour shift in steel." Judge Gary said: "I would like to see the eight-hour day in general effect throughout the industry, but we do not intend to wreck the industry, and that is what would happen if we adopted it." For twenty years, publicists, employers, workmen and engineers have been working for the abolition of the "long day" in steel. The most recent statement by the head of the corporation employing the largest number of twelve-hour men in the country leaves the matter in a deadlock. A new consideration of the twelve-hour shift in American industry, and especially in steel, with an estimate of the present state of public opinion upon it, is here presented:

The twelve-hour shift is considered (1) in its physical and mental effect upon the man on the job; (2) its relation to efficiency and production; (3) its effect upon the worker off the job—upon his family, the church, and the community.

Instead of a generalized summary of steel practice in the country, with statistics of hours and methods, I shall try to present in detail the precise conditions in one large steel corporation which is typical of the industry. The presentation is based upon careful personal observation and upon records which I made while a workman in the basic departments of a modern steel mill—the blast furnace and open hearth sections. I was employed as a clean-up man in the pit, and as third helper on the open hearth, in the cast house, on the stove gang, and as hot blast man on the blast furnace. I kept a careful record of what I saw, heard and felt in a diary, but began my job with the intention of learning the steel business, and not as an investigator, least of all as a reporter of the twelve-hour shift. Such material, therefore, as I collected upon that subject being incidental to the recording of a complex environment has, I believe, evidential value.

What a "Third Helper" Goes Through

As an example of the unskilled job which has hundreds of counterparts in every steel mill I give a rough job specification of the duties of a third helper on a modern 250-ton tilting open-hearth furnace.

After a furnace has been tapped, or emptied of its load of steel, all of the helpers assist each other in relining it right away with

dolomite, which acts as the chemical base in the process of refining the next load of steel, and also protects the interior of the furnace from being eaten away by the molten steel bath. That task of lining the furnace with dolomite takes about two hours. It consists of two different jobs with an interval between—"making back wall" and "making front wall."

In making back wall, all the helpers on a furnace, assisted by several drafted from neighboring furnaces, form a dolomite line, with shovels in their hands, and march past the open door of the furnace, each man hurling his shovelful across the flaming bottom of the furnace to the "back wall." The door opens for an instant in a man's face as he goes by. The heat is high, about 180 degrees at the distance from which he hurls his shovelful. He glances into the furnace for an instant, shielding his face with his arm to see that he has properly placed his shovelful of dolomite gravel on the back-wall of the furnace. There is some brawn required and considerable skill to "place" accurately, and to avoid getting burned, and a measure of endurance to stand up in the face of the heat. Every man, no matter what his physical equipment, is apt to be temporarily exhausted at the conclusion of a backwall, and usually takes a spell of a half hour to recuperate.

Making front wall, which is not as a rule as exhausting, follows a half hour or so later. It consists in spreading dolomite on the front wall, or sloping surface that falls away from the door of the furnace to the center of the hearth. A simple apparatus known as a hook and spoon is used. The spoon is a scoop, the size of a dinner plate, with a handle sixteen or eighteen feet long. Hung on a hook directly over the open door of the furnace it can be pushed in and turned in all directions so as to pass over the whole surface that needs to be covered with the protective dolomite. The duty of the second and the first helpers is to wield the end of the spoon, the duties of the third helper or helpers is to shovel dolomite into the spoons as fast as they are emptied on the front wall. It is easy for a novice to get badly burned in approaching the furnace to fill a spoon, and the exposure to heat and risk of burns even for experienced workers is considerable. The second helper faces for several seconds on each shovelful a heated area of 150 degrees or 160 degrees, and the third 110 degrees or 120 degrees. Making front wall is a matter of half an hour's work, and the third helper has, as a rule, five or six to make on a shift, either on his own or on a neighboring furnace. He assists likewise at two or more back walls.

When "front wall" and "back wall" are both made, there is usually a long "spell," unless an adjoining furnace needs attention. A man may have four or five hours to himself out of a fourteen-hour shift or he may work hard the whole turn. He may have two or three such easy days, or a week of the most continuous and exhausting kind. Shortly after the making of front and back wall, the third helper as a rule gets a wheelbarrow or two of mud for the second helper, and assists the latter while he "fixes" the tap hole. That takes perhaps forty minutes or an hour. The temperature around the tap is perhaps 110 degrees.

A great deal of "scrap" (chunks of iron and steel from small fragments to 1,000-pound blocks) fall from the charge boxes when a furnace is being charged, and must be cleaned up. The crane is used for the larger pieces.

When tap time arrives a more arduous phase begins. The second helper by means of a "picker," or a pointed rod, digs the mud and dolomite from the tap hole. If there is nothing but dolomite to dig out, it is comparatively easy, but if the molten steel in the furnace has crept into the dolomite, the hole must be opened with sledging. A bar is placed in the hole and every man in the furnace, and sometimes in adjoining furnaces, takes a hand. If the hole is very "bad," it is burned through with oxygen. Furnace workers agree that opening a bad tap hole is the hardest work they have to endure. It must be done in a high heat, and it is work of an exhausting kind. When the hole is through and the hot steel starts flowing into the ladle, the third helper, with an assistant from an adjoining furnace, stands ready to shovel manganese into the ladle receiving the molten steel, at a signal from the melter. This may be his hottest work and is certainly the one to which he is most exposed to minor burns. Temperatures are around 180 degrees, but the job takes only four or five minutes. The two helpers stand within a yard of the stream of hot steel coming down the spout from the furnace, and within a yard of the ladle that receives it. No accidents occur to my knowledge in this operation, but nearly every tap time contributes three or four small burns to a man's neck, face, hands, or legs from sparks and fumes. But the operation is not dreaded because it is done quickly.

Accidents occur through the falling of objects such as scrap and pipes, from the overhead crane; through falling of hot metal; through exposure to burns; through escapes of metal from a leak in the furnace, or through the bursting of a tap-hole.

Let this stand, then, as a rough job story for the third helper on a typical American steel open-hearth. Out of it what elements

stand forth as especially related to the length of the working day? To me the principal ones appear to be:

1. **Special nature of steel work—a continuous process of manufacture, and, at the same time, intermittent work from hour to hour.**

To any worker on the job the historical reasons for two shifts in steel are at once apparent. The furnaces must be kept going twenty-four hours a day. Lighting up every morning either on the open-hearth or on the blast-furnace would be impossible. Hence, the shifts must be either two of twelve or three of eight. There can be no nine- or ten-hour compromise as in cotton or brass. And again, making steel in a furnace is like tending a cook stove. Part of the job is watching the stove; the duties are often hard and hot, but not continuous like machine tending. Hence twelve hours is possible in making steel, while it would be impossible in making shoes.

From my own experience I should estimate there were between three and five hours in which we were not in action on the job. After making each back wall there was a spell of twenty or thirty minutes. When a man brought up a wheel barrow full of mud, he often waited till he finished his cigarette before he began work on the spout. The whole practice was in sharp contrast to conditions, say, in a machine shop where every minute counts toward production.

Was not the worker, then, enjoying in reality seven or eight hours of work with twelve hours' pay?

The answer lies in an analysis of those three to five hours. Part of it, as for example, the twenty minutes after a hot back wall, can hardly be considered time off; it is the recuperative interval following immediately after extreme effort like a crew's resting on their oars after a race. The other portion, in the first place, is scattered over the day in half-hour, quarter-hour or smaller intervals, and so is hardly comparable to a continuous hour or two-hour interval spent outside the mill. And it is time spent on guard, so to speak. It may be actually watching the furnace, and in any condition, the noise and strain of the mill are present; it is still the boss's time, not the workers'. And it should be noted that while there is a loafing period that totals between three and five hours in the typical working day, there are runs of work in heavy weeks that compel fourteen hours of continuous heavy work without respite for several nights.

2. A tough handed industry, heavy work predominating.

Steel is heavy work. It is a great mistake to overlook the immense savings to back and biceps that machinery has brought: the charging machine operated by one man loads heavy scrap iron into the furnace in an hour and a half—a process formerly performed by a gang of men by hand in five or six hours. Oxygen gas burns through a plugged tap hole, which formerly men pierced with a bar and sledge. A mud gun plugs the tap of a blast furnace, formerly a hot and heavy shovelling process. But it is equally absurd to consider steel-making no longer "heavy work." There is still lifting, sledging, shovelling, wheeling heavy loads, working with heavy apparatus.

The men I met on the open hearth furnaces were the sturdy, thick-limbed southern Europeans: Slovaks, Poles, Serbs, Croats and Russians. Nevertheless I found that those who had worked at steel for several years were frequently tired at their work, complained of never getting quite enough sleep, showed signs of physical failure, and usually quit the job before they were thirty-five. Of course, when I was at work, there were the added aggravations of the twenty-four-hour shift and seven-day week, but even with these eliminated, conditions would still be unsatisfactory. Steel work by its nature is among the most arduous of any industry. It would seem unreasonable to reserve for this industry the longest day.

3. Heat, danger and other special conditions inherent in steel.

To both heat and danger long experience to a measurable extent inures the steel worker. I remember learning after a little practice to guard my face by my forearm when hurling dolomite in the open door of the furnace, and, again, discovering the need of wearing woolen socks and underwear. With cotton ones the unabsorbed perspiration will unite with the dolomite dust—which is a limestone substance—and leave one's body covered with burns. But after every trick has been learned, the fact remains of the physiological effect of heat in producing fatigue. I noted in my own body the scientifically confirmed truth that sledging in a heated atmosphere tires in measurably less time than the same work in cooler air.

Safety in a steel mill environment lies largely in alertness. Overhead is the electric crane carrying pipes, or dolomite or molten steel. On either hand on an open hearth floor are railroad tracks and moving locomotives. The charging machine is apt to be in motion in front of your furnace. Men pushing or carrying heavy things are to the right and to the left of you. If you are in the pit,

you often work directly under the furnace, and close to a possible fall of liquid steel. I have observed men in the early morning of a fourteen-hour turn with a tendency—which I found in myself as well—to walking or working in a perfectly listless and unseeing manner. Frequently you woke out of a doze to run into the back-wall gang, and began work while rubbing the sleep out of your eyes. The worker on the job knows that shorter hours mean greater safety.

4. Opinion and desires of the men on the hours question.

I found the men on the open-hearth, with one or two exceptions, holding a deep-seated hatred of the twelve-hour shift, and anxious for a reduction in hours. Some had worked in mills where the three-shift system was in operation. Many were familiar with the practice in foreign countries. This opinion was not only current among the foreign workers, but was held largely by the Americans, leading hands, old company men, and foremen. Occasionally I met a foreigner who preferred the present arrangement. One German told me: "Good job, work all time, save money, no spend." But the majority were anxious for a reduction in hours, even at the sacrifice of some part of their hourly rate in wages. This attitude has proved to be general, when the change from two shifts to three has actually been tried. While unwilling to accept the same hourly rate, and hence a two-thirds reduction in daily wages, when the cut from twelve hours to eight is made, the steel workers show themselves ready to compromise as a rule, and share the cost of the change with the employer.

5. Hours in relation to production.

I have already alluded to some production factors, because they are, of course, closely knit with physical and mental ones. The whole department seemed in low gear. You used your shovel slowly, pushed your wheel barrow slowly, walked slowly to the converter to order more hot steel. With the prospect of working till seven the following morning there seemed no need of hurry at 5:30 that afternoon.

The foremen found themselves in a curious position; they alternated between intense severity in getting weary men to do necessary work and leniency to sleeping and soldiering whenever possible. Extra men were always on the books, to fill the places of absentees; the turnover was high.

During the last hours of a hard night turn, men's nerves made mistakes for them, and there was a noticeable increase in grumbling

between the men and friction with the foremen. Any possible craftsmanship and interest in the work for its own sake tended to be swallowed up in the prevailing desire to get through with the shift.

These are the observations of a worker on the twelve-hour shift. Clearly the decisive data as to efficiency must be provided by those companies who have undertaken the alternative arrangement, and operated their plants on a three-shift basis. The conclusions of the Stoughton report made to the Federated American Engineering Societies upon this point are these:

Increased efficiency, manifested in increased production per man per hour, and per machine per day, due to—

a. **better physical and mental condition of the men.**
b. **better class of men attracted.**
c. **better conduct of operation.**
d. **more uniform operation.**
e. **better quality of product.**
f. **less fuel used.**
g. **less water.**
h. **less repairs to equipment.**
i. **longer life of apparatus.**

We have now briefly considered the relation of the twelve-hour shift to a man's mental and physical health on the job, and to the efficiency with which that job is performed. But these factors taken together are hardly equal in importance to the effects of the long day upon a man's life outside the mill.

"No Life Outside of the Job"

I will record my own experience. I lived about twenty minutes' from the mill. Many men lived more, and spent between eleven and twelve hours at work and en route when working a ten-hour day, and between fifteen and sixteen hours at work and en route when working a fourteen-hour turn. By washing up rapidly, and eating a quick breakfast I could reach home by 8:00 or 8:15 in the morning after a night shift. Between seven and eight hours was all the sleep I could give myself before getting up at 4:00 P. M. for dinner and a rapid walk to the mill. The day shift was considerably more comfortable. It gave you evenings, but your body always managed to record the fact that you were averaging twelve hours daily for seven days a week. You sometimes heard men saying: "Funny, I feel more tired on this ten-hour day shift than on the long night turn!" There are several varieties in shift combinations: twelve and twelve, thirteen and eleven, fourteen and ten. The latter is often preferred, because it provides evenings at

least once in two weeks. But, however divided, a man's leisure averages something as follows:

Hours of work	**12**	
Hours going to and from work	**1**	
Eating	**1**	
Hours for sleep	**8**	
Total	**22**	**hours, leaving two hours for friends, family, the community, and himself.**

Nor is the fact of a scanty leisure outside the mill the most unfortunate result. It is rather that there is no unfatigued leisure. The day's weariness clings throughout the time off, and projects itself into tomorrow's work. The result is, of course, that no life outside of the job exists for the twelve-hour community. Politics, the library, the church, are necessarily attenuated to an irregular luxury. There is a definite tendency for the twelve-hour laborer to become a floater, taking his recreation in periods of debauch, rather than settling into citizenship and a family responsibility.

To summarize very briefly:

I. The twelve-hour shift in steel, if persisted in, is on the whole physically and mentally injurious to the men who work it.

II. While temporarily resulting in greater production, it is in the long run unsound from the standpoint of engineering efficiency.

III. It makes difficult if not impossible an adequate family and community life. It creates a condition unfavorable to the making of good citizenship.

In the beginning of the nineteenth century the twelve-hour shift was of course the norm for industry. At one time printers, as well as steel men, worked twelve hours. The movements for hours of reduction in the organized trades are familiar labor history. There came first a ten-hour movement, followed by a nine-hour agitation, and finally by the all powerful eight-hour gospel. The unorganized industries, of which steel was the most important, has clung to the longer hours. Horace Drury, the economist, has recently rendered a report to the federated engineering societies, the proof sheets of which I was privileged to examine, making a study of the twelve-hour shift in some forty-odd industries other than steel. They include the non-ferrous metals, glass and cement, lime, brick and tile, chemical industries, sugar, salt, petroleum, cotton-seed oil, paper, flour, rubber, power, gas, water supply. He remarks in his summary:

"There are upwards of forty continuous industries, operating more or less completely upon a shift system. They employ between 500,000 and one million wage-earners on shift work. Their families constitute from one million and a half to three million persons who are dependent upon earnings from shift-work. * * *

"There have been (prior to the late depression) probably 300,000 wage-earners working on twelve-hour shifts. They and their families number more than 1,200,000 persons."

These are impressive figures. But an examination of the collected data reveals that the steel industry is still the largest single employer of twelve-hour labor, and probably the most influential.[1]

There have been three important events in the history of the twelve-hour shift in the past year. The first was a statement by Judge Gary at the annual meeting of the stockholders on April 22, 1922. Referring to the twelve-hour day, Judge Gary said:

"Between October, 1920 and March, 1922, the corporation had reduced the twelve-hour men from 32 per cent of the workmen to 14 per cent. Those 14 per cent were engaged on continuous processes where it is necessary to keep the machinery going constantly. There is no other practical way."

The second event was the dinner of President Harding to the steel executives to induce the steel industry as a whole to decide on the adoption of the twelve-hour day, and the subsequent appointment by Judge Gary of a committee to consider the matter. The stand which they take on the twelve-hour shift may prove decisive for its continuance or its abolition.

The third event has been the report to the Federated American Engineering Societies on work periods in industry, and the adoption by them of the following conclusions:

1. The tendency throughout the world is toward the abolition of the twelve-hour shift.

2. In almost every continuous industry, there are plants which are operating on an eight-hour base in competition with twelve-hour plants.

3. Certain recommendations on how to make the change to the three-shift system are given.

4. In a number of plants where the change has been made the managements report these results.

***a*. Better physical and mental condition of workers.**

***b*. Improvement in class of workmen.**

***c*. Less shirking, tardiness, absenteeism, labor turnover, and industrial accidents.**

---

[1] For concise chronology of the history of the twelve-hour day in steel from 1892 to 1922, see *American Labor Legislation Review*, Vol. XII, No. 2, June, 1922, p. 121.

d. **Improved spirit and co-operation of workmen.**

e. **More exact adherence to instructions as to working methods.**

f. **More uniform methods with consequent attainment of standards, etc.**

g. **Better quality of product.**

h. **Increased output per man per hour.**

i. **Less material used.**

j. **Wastes eliminated.**

k. **Longer life of equipment and less repairing.**

l. **Greater prestige with the public.**

But these developments are, by no means, proof that the twelve-hour day has been abandoned either in principal or practice, or that it is even on the way to gradual decay. The Steel Corporation has, to be sure, taken steps, but they are by no means final, and the independents who constitute 60 per cent of the industry are for the most part not committed to abolition.

Hours practices during the recent depression, which was particularly severe in the steel industry, are significant, and require analysis. A great many companies cut hours during this period in order to distribute employment more widely and in some instances to experiment with new arrangements. Especially in rolling mills was this true, and in other operations not requiring a continuous operation during the twenty-four hours. The corporation adopted this practice very widely, and Judge Gary was able to make the announcement which I have already quoted at the stockholders meeting on April 22, 1922, that "between October, 1920, and March, 1922, the corporation had reduced the twelve-hour men from 32 per cent of the workmen to 14 per cent." I have been unable to discover whether these percentages apply to all the employees of the corporation, including those in coal mines, offices, and on railroads. But if these groups are included, the percentage in an actual steel plant would be considerably higher than 14. Nevertheless the figure represents a very great reduction in the number of twelve-hour men.

A Big Job for Public Opinion

Does this mean that the long day is well on the way to elimination, at least in the Steel Corporation? I do not think so. Unless there have been very recent developments in this connection, there are in the country few blast-furnaces which are on other than a twelve-hour day. And on the whole the open-hearth furnaces, and almost all other work which is necessarily and completely continuous, is probably still on twelve hours. The reduction in the number of twelve-hour workers was, in the main, a cutting off of

hours which accompanied a slack period. When the steel industry resumes its normal prosperity, it will face the necessity of a real choice between a resumption for many of the men or a more radical move in the direction of permanently shorter hours.

The responsibility for that decision rests only in part on the officers of the United States Steel Corporation and upon the steel executives of the independent companies. It rests largely upon the Association for Labor Legislation and others like it; upon the press, and upon the force and pressure of individual opinion. I make this statement advisedly and deliberately after investigation. It is not a flourish of speech. Judge Gary has himself declared that in the conduct of a great corporation he believes it a part of his duty to heed public opinion. I believe he means what he says. But that public opinion must be unmistakable.

A great deal of progress has been made toward the abolition of the twelve-hour shift. The economists have done very notable work in gathering dispassionately and exhaustively the facts upon the twelve-hour shift in American industry, and upon the alternative three-shift arrangement. There is now available the engineering and accounting data for accomplishing a gradual and economical passage from two shifts to three. The President of the United States has interested himself in the question. Judge Gary, as president of the Iron and Steel Institute, has appointed a committee which is at work on the question to-day. But there have been periods of agitation, of study and investigation in the long past. And each time they have failed to eliminate the twelve-hour day. Why? Because the public has lost interest.

I am familiar with the news stories and other published matter upon this subject in recent years. But it is still possible to find broad ranks of people who believe that the steel worker works an eight-hour day. As an editor of a magazine of wide circulation among educated persons, I have been astonished at the surprise shown by our readers at conditions we have recently revealed upon the twelve-hour shift.

Especially in the so-called social sciences, a study prepared with care and thoroughness by scientists does not meet its fruition till it is read widely and acted upon. Such a question as a twelve-hour shift affecting, as it does, some 300,000 men in American industry, is a national one, and action upon it requires a national opinion. **The work of education must go on, and with all the energy possible.** During the interval of education men will continue to work the twelve-hour shift.

Progress of American Labor Legislation

By John B. Andrews

"FROM our legislature this year we expected nothing—and we got it!" Such was in effect the substance of reports presented by fully half of the Government Labor Officials of America assembled in annual convention at Richmond, Virginia, recently. Each delegate was allowed three minutes in which to report on the year's progress. Most of them didn't need to use all that time.

Some of the most important industrial states, however, were not represented at the conference and several legislatures were still in session. When the final summary of new labor laws is completed it will show considerable progress in a number of states—especially in the adoption of improvements in accident compensation laws, the extension of cooperation in maternity protection, the further protection of child and women workers, the adoption of three pioneer old age pension laws, and, in New York, the restoration of necessary appropriations for labor law enforcement.

But 1923 is only a single legislative year. To get a true perspective on the progress to date in American labor legislation one really needs something of an historical view. Although America's first labor law was enacted eighty-seven years ago when Massachusetts set up an educational requirement for working children—and now only two states fail to limit the working hours of children, while half the states have adopted the eight-hour standard—most of our effective labor laws are the fruits of the past dozen years.

Most Gains in Past Dozen Years

The first legal protection of working women, by the New Hampshire ten-hour law of 1847, is chiefly instructive because it could not be enforced. The first effective law of this kind was enacted in Massachusetts in 1879. Now all but five states regulate women's working hours—the modern, effective legislative period beginning with the Oregon decision of 1908.

Legal regulation of men's working hours—beginning with President Van Buren's executive order on ten hours for navy yards in

1842—is by no means confined to public works and public utilities where the eight-hour day is the rule in half the states. It also includes the maximum eight-hour limit in mines and smelters, as well as ten-hour laws in numerous employments in Mississippi and Oregon. The latter state has this year moved on to the eight-hour standard for men in the lumbering industry, but with a reciprocal provision that the new law goes into effect after adjoining states have adopted the same restriction.

Legislation setting a minimum standard of wages for children and women has, since the initial statute of 1912, been passing through a period of economic trial and judicial error somewhat like that which marked the path of the earlier hour legislation. No serious student of the question can doubt that within a few years amendment of our federal constitution will in each of these fields permit further advances.

Our first accident reporting law dates from 1886, but most of the scientific gathering of accident statistics is the work of the past dozen years. Our first law requiring safety devices in factories was adopted in 1887, but it is only within twelve years that universal progress has come in accident prevention.

Most of the public interest in industrial hygiene was manifested during the years immediately following 1910 when the pioneer Illinois Occupational Disease Commission—whose work was followed by the Association for Labor Legislation's successful campaign against the poisonous phosphorus match—inspired many people to inquire "What are occupational diseases?" The first occupational disease reporting law was enacted in California in 1911, and fifteen other states followed the example within the next five years. Three-fourths of the states now have general laws on factory sanitation and ventilation.

Legislation promoting public service in connection with unemployment begins with the first Ohio public employment bureau in 1890. Now such bureaus in half the states and in some cities, as well as the limited federal service, assist in this work. The importance of advance planning of public works has also been officially recognized in two states, beginning with Pennsylvania in 1917.

Outstanding Achievements

The most important forward step in American labor legislation is that providing accident compensation for those injured in the

course of employment. The first state compensation law to go into effect and stay in effect was that of New Jersey which was passed in 1911, just twelve years ago. During this eventful dozen years no less than forty-seven accident compensation laws have been enacted in the United States, and in addition thirty-six states have within three years voted to cooperate with the federal government in the vocational retraining of their industrial cripples.

Now comes within the present year pioneer legislation in three states establishing old age pensions—inspired by the example and supported by the same effective argument, " home instead of institutional care," which has placed mother's pension systems in operation in forty-three states and territories since 1911.

Probably the second greatest advance in labor legislation in America has been in the provision for law enforcement. Massachusetts established in 1869 the first state bureau of labor statistics, and now all states have some provision for the special administration of labor legislation.

Without unduly minimizing the earlier efforts at law enforcement, one may safely say that the year 1911 was the beginning of the vastly more important new era in administration—marked off by two significant developments: the first permanent adoption by the states of the principle of accident compensation, and the organization of the first modern state industrial commission in Wisconsin. But only a few states provide administrative salaries that are adequate, and tenure of office is still distressingly insecure. Administration should be stable, competent and continuous, and partisan influences—whether political or industrial—should not be allowed to interfere with effective enforcement of the law.

Helps and Hindrances

This brief survey is sufficient to show how modern indeed is most of our labor legislation. Probably all of it is in need of improvement to-day, but with a sense of the rapidity with which fundamental changes in legislation have spread over the country during the last dozen years no one need despair of future progress wherever the need is clear and the opportunities for public enlightenment are available.

The principal obstacles to progress are (1) the selfish and frequently short-sighted opposition of business interests; (2) the after-

war reaction which is in part an expression of exasperation over extreme subordination of the individual to the government; and (3) adverse court decisions. Twenty-one times during forty years the United States Supreme Court has decided cases affecting labor by four-to-five or by four-to-four decisions, and nearly two-thirds of these closely divided opinions have been handed down during the past ten years. Several recent expressions from the bench lend support to the assertion that courts as well as legislatures reflect periods of reaction.

Helpful influences in labor legislation include (1) the more general spread of knowledge of the need and practicability of legal protection; (2) the development of effective scientific propaganda organizations such as the Consumers' League, the Child Labor Committee and the Association for Labor Legislation; (3) the more active participation of women in public activities; and (4) the application of federal-state financial cooperation which has within three years led to the adoption of vocational rehabilitation of industrial cripples and the rapid extension of maternity protection by three-fourths of the states.

Looking back through eighty-seven years of American labor legislation, and noting that most of the progress has been made within the past dozen years, one need not despair of further intelligent progress in the near future despite the terrible social costs of the war. And with a vast army of child laborers who ought to be in school, with peonage persisting in even one state, with scores of thousands of women still employed by "parasitic industries" for long hours at wages below the level of decent existence, with the lurking danger of industrial poisons ever on the increase and for the most part still unreported and uncompensated, with many thousands of men working twelve hours a day, seven days a week, with our coal miners being killed three times as fast as they kill them in Great Britain, and with millions involuntarily unemployed during each turn of the business cycle—surely the need is still urgent for further progress in labor legislation in America.

Treble Compensation for Injured Children

By E. E. Witte
Chief, Wisconsin Legislative Reference Library

(Editor's Note: Thus far in 1923 at least two additional legislatures, New York and Indiana, have passed bills to provide for extra compensation in case of injury to illegally employed minors, both however, requiring double awards, while the Wisconsin law, in successful operation since 1917, provides treble awards.)

EVERY state now has some sort of a child labor law. In every state also, however, there are numerous violations of the child labor law. This fact is most clearly revealed in the statistics which many labor departments still publish, giving the number of employees found at work in factories visited by the factory inspectors. These statistics show that in many states the number of children found by the factory inspectors to have been illegally employed exceeds the total number of child labor permits issued in these states.

One problem which grows out of illegal employment of large numbers of minors, is that of compensation for injuries which they sustain in the course of their employment. No one knows how many minors illegally employed are injured annually, but it is certain that this number is great. In proof, the last report of the department of women and children of the Indiana industrial board can be cited, which shows that **of 859 cases of industrial accidents to minors investigated by this department, 448 were found to involve children who were injured while illegally employed.**

Nearly all states which have child labor laws also have compensation laws; in fact, there are but six states in the union without such laws. A majority of the compensation laws, however, either expressly provide that they shall not apply to minors injured while illegally employed, or have been so construed by the courts.

Protecting Children Unlawfully Employed

The thought underlying the exclusion of minors illegally employed from the compensation acts, is that such a provision will operate to give the injured miners a larger recovery than they could get under compensation. In most states the employment of minors

in violation of the child labor law is a misdemeanor and constitutes gross negligence. Consequently, when a minor illegally employed is injured, the employer is deprived not only of the common law defences, but the fact of employment alone is sufficient to establish negligence on his part. In view of this legal situation, it is very natural to assume that the exclusion of minors illegally employed from the compensation acts is for their best interests and will secure for them the largest possible money indemnity for the injuries they sustain.

Whether this has actually been the way in which this provision in compensation acts has worked out, is, to say the least, very doubtful. The reported cases show some recoveries in suits at common law by minors illegally employed which are in excess of the amounts which could have been collected under compensation. There are at least as many reported cases, however, in which the damages fixed by juries were small.

What the injured minors have gotten whose cases were settled out of court, can only be surmised. Injured minors and their parents are generally ignorant of their rights, and it is nobody's business to advise them. They must deal, moreover, with the adjusters of insurance companies who often think that their positions depend upon driving hard bargains; and almost invariably the parents are in great need of ready cash.

In view of these facts, there is no reason to doubt, that in cases settled out of court, the amounts recovered by minors injured while illegally employed have been even less than in the reported cases.

Depriving an employer of all defences does not necessarily compel him to make liberal settlements with injured employees. Nearly all elective compensation acts deprive employers who reject compensation of their common law defences. In every state whose law contains such provisions, however, some employers have nevertheless rejected the compensation act. They have done so because they have been able to get away more cheaply than under compensation, although taking a chance that some day they may be mulcted very heavily in damages. And most of the employees of such employers have been adults, not minors.

There are two alternatives to the exclusion of minors illegally employed, from the benefits of the compensation acts.[1]

---

[1] Kentucky gives minors injured while illegally employed an election between taking the usual amount of compensation and bringing suit at common law.

The one plan is that of California, New York and a few other states, of putting all minors under compensation and making no distinction in the recovery, whether the minors are employed legally or illegally.

The other plan is that of Wisconsin and Oregon, which also puts minors illegally employed under the compensation acts, but give them a greater indemnity when injured than if they had been legally employed.

Under the plan of treating minors who are injured while illegally employed exactly like minors injured while legally employed, the average recoveries have probably been greater than under the more common plan of excluding the minors illegally employed from the compensation acts. But as stated in a New York case—Robilloto *v.* Bartholdi Realty Co.; 172 N. Y. Suppl. 328 (1918)—it is inequitable to give a minor who may be most seriously injured for life because his employer placed him at a dangerous machine in violation of law, only the same compensation as if he had been injured while lawfully employed. And it is obvious that **this plan does not make the compensation acts serve as an incentive to employers to comply with the provisions of the child labor laws.**

In contrast, the Wisconsin compensation act provides that when an injured employee is a minor illegally employed, the compensation shall be trebled and shall never be less than the actual wage loss. It further provides that the employer is primarily liable for the entire increase in compensation, amounting to two-thirds of the total compensation, and that the insurance company can pay this amount only when the employer is insolvent. The Oregon law much less drastically provides that when children illegally employed are injured the employer must pay into the state fund a penalty equal to 25 per cent of the compensation, but not exceeding $500, unless the industrial accident board excuses the employer from this penalty upon showing that the violation was not intentional.

The Wisconsin Plan

Prior to 1917, Wisconsin excluded most minors who were injured while illegally employed from its compensation act,[2] as most

[2] Minors under sixteen employed without a permit were held to be outside of the compensation act, while minors under sixteen employed on a permit but at a prohibited employment, as well as minors over sixteen employed at prohibited work, were held to be under compensaton but entitled only to the same recovery as minors legally employed. Now all minors of permit age or above are under compensation, but if illegally employed get treble compensation. Minors under permit age, however, are still outside of the Wisconsin compensation act.

states still do. A supreme court decision, making it very clear that at common law the employers were without a defence, however, alarmed the employers' organizations and made them seek some method for getting away from such indefinite liability. An attorney for one of the leading employers' associations proposed the plan of treble compensation, after figuring out that three times the amount recovered under compensation was about what minors illegally employed had gotten in the common law actions in which the outcome was most favorable to the injured minors. The treble compensation plan was then written into the Wisconsin law, in the thought of making definite and certain the liability of the employers, while guaranteeing to the minors injured while illegally employed, the same amounts which they could expect to get if successful in suits at common law, without all the trouble and expense of litigation.

Under this plan 369 cases involving minors injured while illegally employed were settled between September 1, 1917, and December 31, 1921. In these 369 cases the increased compensation paid amounted to $79,552.58—every cent of which was paid by the employers who had violated the child labor law. The great majority of these cases involved only minor injuries, but there was one case in which the increased compensation amounted to $6,000.

Considered as a penalty for violations of the child labor law, the treble compensation provision of the Wisconsin compensaton act is by far the most effective penalty ever devised.

It is doubtful whether there is any state in which during the last four years the percentage of all employers who violated the child labor law who were fined, is greater than the percentage of Wisconsin employers who paid treble compensation for such violations. Certain it is that in no state have the fines for violations of the child labor law totalled as much as the increased compensation paid in Wisconsin. In New York, with six times as many people engaged in industry as in Wisconsin, there were in 1920, 1,163 convictions for violations of the child labor law, but in 638 of these cases sentences were suspended, and the fines in the other 525 cases totalled only $11,465. In contrast, in Wisconsin in 1921, 97 employers paid $24,599.37 in increased compensation for violations of the child labor law; and **this amount was not paid into the public treasury, but to the minors who were injured while illegally employed.**

One experience with treble compensation cases has generally been enough in Wisconsin to get an employer to familiarize himself with the child labor law and to make every effort thereafter to comply with its provisions. Quite a few service workers in Wisconsin owe their positions to the fact that employers had to pay increased compensation because some minor they employed illegally was injured, teaching them that they needed a centralized employment department or better supervision of their minor employees.

But treble compensation as conceived in Wisconsin is in a legal sense not a penalty for the violation of the child labor law. Even if an employer has paid treble compensation he may still be sued for the forfeiture which the child labor law prescribes as the penalty for violation of its provision; although in practice this has seldom been done in Wisconsin. Treble compensation is a contractual obligation assumed by employers when they accept the provisions of the compensation act.

Just as they agree to compensate adults injured in the course of employment on the basis stipulated in the compensation act, so they agree to pay to minors who are injured while they employ them illegally an amount equal to three times the usual compensation. Upon this theory the Wisconsin supreme court has in several cases sustained the constitutionality of the treble compensation plan.[3]

A Deterrent to Child Labor

Thus conceived, the treble compensation plan is a measure of simple justice to the minors who are injured because employed illegally. Even treble compensation probably does not compensate them fully, at least, if they sustain serious injury. But this plan has the great advantage of giving to such injured minors a substantial and definite amount, without the delay, expense, and uncertainty involved in actions at common law. Under the plan of excluding minors illegally employed from the compensation acts, there may occasionally be an even greater recovery than under the treble compensation plan, but certainly the average recovery is much less.

To the employer, also, the treble compensation plan has many advantages. It fixes definitely the amount which may be recovered, avoids law suits with insurance companies over the question whether the employer's policy covers minors employed in violation of law,

[3] Brenner *v.* Herubin, 170 Wis., 565; Mueller and Sons Co. *v.* Gothard, 173 Wis., 135 (1920); Faust Lumber Co. *v.* Gaudette, 173 Wis., 136 (1920)

and eliminates the very disagreeable situation of having to fight the claim of a child injured while illegally employed.

From the public point of view, the greatest advantage of the plan of putting minors illegally employed under the compensation act but giving them a larger recovery than legally employed minors, is that it furnishes **a strong incentive to comply with the child labor law.**

Although in a legal sense not a penalty, treble compensation has possibilities of being made a stronger deterrent to violations of the child labor law than any penalty. True, this plan does not work automatically. In a state in which the compensation commission conceives its duty to be merely to decide controversies over compensation, the treble compensation plan is likely to work out little better than the exclusion of illegally employed minors from the compensation act.

Minors know even less about their rights and how to enforce them than do adults; and every investigation has shown that where compensation commissions sit back and wait until controversies are brought to them for decision there are many cases in which injured adults do not get what they are entitled to under the law. Wherever the compensation commission, however, make it their business to see that all injured employees get the full compensation to which they are entitled (and no more), the increased compensation plan ought to work as satisfactorily as it has in Wisconsin.

In this state, the industrial commission investigates every accident reported under the compensation act which involves a minor; and if it concludes that increased compensation is probably due, it, if necessary, notices the case for a hearing on its own motion, even if a settlement for less than what the law allows has been made between the parties. The result is that employers know that they will have to pay increased compensation, if they are not careful to comply strictly with the child labor law.

A valuable feature of the Wisconsin plan from this point of view is that insurance companies are not allowed to pay the increased compensation due from employers who have violated the child labor law, unless these employers are insolvent.

Before the days of treble compensation, insurance companies undermined the enforcement of the child labor law by advertising that they would protect the employer even if the injured employee was a minor illegally employed. After this amendment became effective, a few insurance companies sought com-

petitive advantage through fighting claims for treble compensation for their policyholders; but these companies lost rather than gained by such tactics, because they now had to deal with the industrial commission and not merely with the injured minors and their parents, and could not pay the increased compensation for their policyholders. In consequence, the insurance companies soon realized that the only way in which they can protect their policyholders under the treble compensation plan is to get them to comply strictly with the child labor law.

All, or nearly all, insurance companies operating in Wisconsin, at their own expense, have distributed literature prepared by the industrial commission advising employers what chance they take in violating the child labor law and what they must do to avoid getting into such a position. Many companies in addition have carried on propaganda of their own to keep their policyholders from violating the child labor law.

This advantage can be gained without adopting the plan of placing minors illegally employed under the compensation act on a basis of increased compensation. As a matter of law nothing more is necessary than to prohibit the casualty companies from insuring the liability of employers for accidents to minors illegally employed. Unless some governmental department, however, supervises settlements made with all injured minors, such a provision is likely to remain a dead letter, and the compensation acts will tend to break down rather than to assist the enforcement of the child labor law.

The large number of violations of the child labor law, which still occur in all states, many of which lead to serious injuries to the children who are illegally employed, is a challenge to all sincere opponents of the exploitation of children in industry. A thorough investigation in any state, I believe, will show that the plan of excluding minors illegally employed, from the provisions of the compensation acts, operates to deprive these minors of a fair recovery; and, if anything, increases violations of the child labor laws. It is submitted that **the alternative plan which brings all minors illegally employed under compensation, but which gives them an increased recovery in return for the loss of the right to sue at common law, with the possibility of a very large indemnity, is a way of meeting this problem, which is fair to the minors involved and which can also be made to serve as the strongest possible deterrent to violations of the child labor law.**

—New York World

"This decision, madam, affirms your constitutional right to starve."

"Unconstitutional!"

Minimum Wage and the Constitution

By Thomas I. Parkinson

WHILE the country was still inspired by war conditions to subordinate individual rights of liberty and property to the accomplishment of the common good, Congress passed the act of September 19, 1918, providing for the establishment of a minimum wage for women and children in the District of Columbia.

The act created a board with power, after full investigation—

> to ascertain and declare * * * standards of minimum wages for women in any occupation within the District of Columbia and what wages are inadequate to supply the necessary cost of living to any such women workers to maintain them in good health and to protect their morals * * *.

If, as the result of such investigation, the board found that any substantial number of women workers in any occupation receive **wages inadequate to supply them with the necessary cost of living, maintain them in health, and protect their morals,** the board was authorized to call a conference representative of employers, of employees, of the public, and of the board, and this conference was authorized to make recommendations to the board respecting standards of minimum wages for women in such occupation. The board, after reviewing these recommendations and after a public hearing affording interested persons opportunity to be heard, was authorized to make an order requiring all employers to comply with the standard minimum wage recommended by the conference. This duty of the employer to pay all women employed by him at least the minimum wage so fixed was relieved only in the case of a woman worker to whom the board issued a special license authorizing her employment at a less wage because her earning capacity has been impaired by age or otherwise. Violation of the order fixing a minimum wage, except in the case of a woman specially licensed, was made a criminal offense.

The board, in the exercise of its power, fixed minimum wages for women of various occupations in the District. Two women, both of full age, one employed by a hospital, the other employed by a hotel, brought suit against the board to restrain it from enforcing its order, on the theory that they would lose their employment

if their employers were required to pay the minimum wage. Their contention was that the minimum wage act was unconstitutional.

There is nothing in the federal constitution which expressly prohibits the enactment of a minimum wage law. On the contrary, the constitution (Article I, Section 8) provides "that the Congress shall have power * * * to exercise exclusive legislation in all cases whatsoever" over the District of Columbia and also "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers."

In view of this broad legislative power which Congress possesses within the District of Columbia, the plaintiffs depended upon Article V of the amendments to the constitution which provides that no person shall be "deprived of life, liberty or property without due process of law." The question in the case then was whether the minimum wage law deprived either the employer or the employee of liberty or property without due process. The employer was not required to employ women, but if he did, he was required to pay the wage fixed. The employee was left free to work if she could find an employer who would pay her the minimum wage.

There is no doubt about the rule for the determination of the constitutionality of an act like this. It was stated very clearly in the opinion of the majority of the court:

> This court, by an unbroken line of decisions from Chief Justice Marshall to the present day, has steadily adhered to the rule that every possible presumption is in favor of the validity of an act of Congress until overcome beyond rational doubt. But if, by clear and indubitable demonstration, a statute be opposed to the constitution, we have no choice but to say so.

The line that separates the constitutional from the unconstitutional, where due process is concerned, is that which separates reasonable regulation of private right in the interest of the public welfare from unreasonable interference with private right without justifiable public necessity. The line is indefinite and it is sometimes hard to separate reasonable regulation from unreasonable interference. As the supreme court has many times said, the presumption is in favor of the validity of the statute and the burden is on him who attacks its constitutionality.

Chief Justice Taft's Protest

The difficulty arises in the application of the rule to a particular instance. In this case, five of the judges (Mr. Justice

McKenna, Mr. Justice Day, Mr. Justice McReynolds, Mr. Justice Sutherland and Mr. Justice Butler) decided the minimum wage act "passes the limit" thereby sounding the death knell of the act. Mr. Chief Justice Taft, "with deference" to the majority and with the concurrence of Mr. Justice Sanford, dissented on the ground that **"it is not the function of this court to hold congressional acts invalid simply because they are passed to carry out economic views which the court believes to be unwise or unsound."** Mr. Justice Holmes concludes a vigorous dissent with the words, "I am of the opinion that the statute is valid."

Mr. Justice Brandeis took no part in the decision but it is not hard to guess what his decision would have been had his participation in the argument of like cases not precluded his sitting in this case.

In determining the reasonableness of such statutes, the supreme court has recently said (Ry. Co. *v.* Nye Co., No. 24, Oct. Term 1922) that the test is whether a particular statute works "an arbitrary, unequal and oppressive result * * * which shocks the sense of fairness" which the due process clause was intended to satisfy.

The contention in this case was that the act deprived the persons affected by it of their freedom of contract, that is, of liberty to make such contracts as they pleased. The majority opinion, after remarking that "there is no such thing as absolute freedom of contract," makes an interesting summary of the earlier cases in which the supreme court had approved of legislative restrictions on this liberty of contract. These included statutory regulations restricting freedom to determine the provisions of (*a*) contracts respecting character and time of payment of wages but not affecting the amount of wages, and (*b*) contracts respecting the hours of labor.

In discussing the cases involving statutes fixing hours of labor, the majority opinion recognizes, but does not emphasize, the prior decisions of the supreme court sustaining as reasonable and constitutional restrictions on individual liberty, the Oregon ten-hour day for women (Muller *v.* Oregon, 208 U. S. 412) and the Oregon ten-hour day for all employees (Bunting *v.* Oregon, 243 U. S. 426). The opinion emphasizes and quotes at length from the Lochner case (Lochner *v.* N. Y., 198 U. S. 45) decided in 1904, in which a statute fixing a ten-hour day for bakers was held unconstitutional. It is

stated that while later cases have distinguished the Lochner case, "the principles therein stated have never been disapproved."

If by this the court means the general principle that the statute must be reasonable in its regulation of individual liberty, in order that it may pass the test of the constitution, all will agree. But the emphasis on the Lochner case seems to mean something more. **It suggests that the majority of the court is disposed to return to the attitude of the court in the Lochner case and to emphasize the individual's right to freedom from restraint, rather than the public welfare which justifies legislative restriction of that freedom.** On this point the dissents are particularly interesting. Mr. Chief Justice Taft, expressing his surprise at the use made of the Lochner case, says, "I have always supposed that the Lochner case was overruled *sub silentio*." And Mr. Justice Holmes: "After the Bunting case I had supposed * * * that the Lochner case would be allowed a deserved repose."

Getting Around the Precedents

The majority opinion, recognizing the force of the precedents holding constitutional statutes fixing hours of labor, makes some interesting suggestions for distinguishing them.

In the first place, it is pointed out that since the decisions in those cases "the great—not to say revolutionary—changes which have taken place * * * in the contractual, political and civil status of women culminating in the Nineteenth Amendment" have brought the "ancient inequality of the sexes" and the differences between men and women "almost, if not quite, to the vanishing point."

There is a suggestion of the famous chuckle in the words with which the Chief Justice refers to the use made by the majority of the Nineteenth Amendment and Mr. Justice Holmes says bluntly, "It will need more than the Nineteenth Amendment to convince me that there are no differences between men and women or that legislation cannot take those differences into account."

But the majority do not rely on the "diminishing intensity" of these differences between the sexes, nor does it overrule the hours of labor cases; rather it distinguishes laws limiting hours from laws fixing wages and declares that the hours of labor cases "afford no real support for any form of law establishing minimum wages."

Here again the dissent is emphatic. The Chief Justice says that, from the point of view of liberty of contract, legislation fixing a minimum wage cannot be distinguished from legislation fixing a maximum of hours. Wages and hours "both enter equally into the consideration given and received; a restriction as to one is not any greater in essence than the other. * * * One is the multiplier, the other the multiplicand." Mr. Justice Holmes says, "I confess I do not understand the principles on which the power to fix a minimum for the wages of women can be denied by those who admit the power to fix a maximum for their hours of work."

Analyzing the effect of the act, the majority opinion points out that it required, under penalty, anyone who employed a woman to pay at least the minimum wage fixed by the board; that wage was irrespective of hours; it was based not upon the efficiency of the employee but upon her necessities; it required the employer to pay a wage sufficient to meet these necessities on the theory that such a wage would safeguard her morals. There is vigorous expression of the opinion that a minimum wage will not safeguard morals. The court admits "the ethical right" to a living wage, but the court finds no justification for putting upon the employer the duty in all cases to provide such living wage. The requirement of a minimum wage is likened to a law requiring a shopkeeper, who sells food, to furnish to each individual buyer the quantity necessary for his individual sustenance.

Finally, the majority says that the law "is so clearly the product of a naked, arbitrary exercise of power that it cannot be allowed to stand under the constitution of the United States."

Majority Opinion Not Convincing

On these matters, which present the most important part of the case, the majority opinion is not convincing. As the dissenting opinions point out, it is not for the court to say whether a minimum wage law will remedy the evils at which it is aimed. That is a question for the legislature.

As pointed out above, the majority opinion, stating the rule by which the constitutionality of such statutes is to be determined, said that a statute is to be set aside as unconstitutional, if by "clear and indubitable demonstration" it is opposed to the constitution. Can it be said that there was any such demon-

stration in the case of this minimum wage law? It was passed by Congress without a dissenting vote in the House and with only twelve nays in the Senate. Its fundamental principles had been incorporated into the laws of at least twelve of our states and in a number of foreign countries. The briefs contained a mass of evidence tending to support the desirability of a minimum wage from the point of view of the public welfare. Referring to these briefs, the majority said that, while they tended to show the desirability of the legislation "they reflect no legitimate light upon the question of its validity. The elucidation of that question cannot be aided by counting heads." With all due respect to the majority one cannot help noting that in the last analysis that question was finally determined by a vote of five to three, Mr. Justice Brandeis not voting; **so that, after all, it was a counting of heads that determined the question of constitutionality.** A minimum wage law "shocked the sense of fairness" of five members of the supreme court.

To those who look to legislation for improvement in social conditions, this decision becomes a serious obstacle. It is more important than the decisions holding unconstitutional the federal child labor laws. The decisions in the child labor cases simply determined that regulation of child labor was for the states, not for the Congress of the United States. The question there involved was the distribution of governmental power between the nation and the state. A more fundamental question was involved in the minimum wage cases. **The effect of the decision is that no government in this country, federal or state, has the power to say that a woman may not be employed unless she is paid a wage equal to that which a government agency has determined is necessary to provide a decent living, protect her health and safeguard her morals.** When, as is undisputed, the test of such a law is its reasonableness, it is disappointing, to say the least, to find the Supreme Court holding an act of Congress unconstitutional when the Chief Justice and two members of the court, out of the eight voting, so vigorously assert that there is no justification for setting aside the judgment and the determination of Congress.

The Minimum Wage Decision

Representative Editorial Comment Protesting Against Economic Views of Majority Opinion

CHIEF JUSTICE TAFT felt it proper, in dissenting from Justice Sutherland's exposition of the reasons for annulling the minimum wage law, to say that belief in its economic impolicy should not affect the Supreme Court's opinion of its constitutionality. * * * But the principal objection goes deeper, to the *laissez-faire* element in Mr. Sutherland's argument. He thinks the law should take account of the rights of the employer as well as the employee. But its framers intended that it should also, and, first of all, take account of the rights of the public. They believe that a business which does not pay a living wage is essentially parasitic. It subsists because society pays the difference."—**New York Evening *Post*.**

◇

IN our view, the year 1923 finds the social conscience of America definitely saying this to business: "If your business cannot prosper on a payment of decent wages to your employees, then your business is illegitimate and a social menace, and it should be discontinued." It is hard to avoid believing that the majority of the United States Supreme Court do not yet see the picture of present-day America, but are still looking backward to a day that is gone.—**San Francisco *Examiner*.**

◇

THE minimum wage decision * * * is a perfect illustration of the difference between law in a vacuum and law applied to every-day human affairs. * * * This decision sets the clock back many years. But for that reason it is impossible to believe that it will be applied to the minimum wage law of the states, as it logically might be, or even that it will long survive as it stands.—**New York *Globe*.**

◇

THE decision * * * involves important questions of public policy which seems certain to create issues that may become controlling factors in national and state politics.—***Christian Science Monitor*.**

◇

IT is apparent that five very conservative justices of the United States Supreme Court became fearful that in minimum-wage legislation the country was going too far and too fast, so they halted the police power in deference to their own economic misgivings. In order to sustain their personal opinion it was necessary to bring in the Constitution, but this was largely for public effect. * * * Senator Borah is right when he insists that "a law which has the approval of both the other departments of the government as being constitutional ought not to be held void upon a mere five to four decision, or ought not to turn upon a single view of the opinion of one judge." On this point public sentiment is rapidly becoming unanimous. The constitution of the United States can not remain indefinitely a one-man constitution.—**New York *World*.**

Easley War on Old Age Pensions Opposed by Labor Colleagues

RECENTLY a letter was sent out by the National Civic Federation, signed by Ralph M. Easley, chairman of the executive council, appealing to the recipients to "please send check to our welfare department for $100 to help in the campaign we are waging against non-contributory old-age state pensions."

Prompt repudiation of the Easley war against old age pension legislation followed, in written statements by prominent labor officials whose names appeared on the Federation's letterhead as members of its executive committee "on the part of wage-earners."

"I am NOT responsible for anything sent out by Mr. Easley," writes Warren S. Stone, grand chief, International Brotherhood of Locomotive Engineers, and chairman of the Civic Federation's social insurance department.

David B. Robertson, president, Brotherhood of Locomotive Firemen and Enginemen: "I have expressed **no** opinion to Mr. Easley or to the Federation voicing a protest on behalf of this organization against old age pensions."

William D. Mahon, president, Amalgamated Association of Street Railway Employees of America: "I am **not** in sympathy with Mr. Easley's efforts * * * to oppose the old age pension plan."

John A. Voll, president, Glass Bottle Blowers' Association of the United States and Canada: "I am **not** opposed to old age pensions nor in sympathy with the effort and method of the Civic Federation as set forth in Mr. Easley's letter of March, 1923. The Glass Blowers' Association * * * July, 1922, went on record as **unanimously endorsing** the old age pension bill in Ohio."

Daniel J. Tobin, president, International Brotherhood of Teamsters: "I am absolutely **opposed to any fight against old age pensions,** on the ground that I believe in old age pensions."

Timothy Healy, president, International Brotherhood of Stationary Firemen: "I am not at all in favor of Mr. Easley's policy on this question. On the contrary, I am and have been for many years an advocate of old age pensions."

President Gompers, as reported in the March number of this REVIEW, recently declared that, "reports that I am organizing opposition to old age pension bills introduced in various state legislatures are without foundation and are absolutely false."

Awakening Interest In Old Age Protection

By Frank E. Hering
Chairman Old Age Pension Commission Fraternal Order of Eagles

THE problem of old age is no longer what it was a generation or two ago. Indeed, there was, comparatively speaking, no problem then. Agriculture was yet our basic industry; and on the farm men are still useful in their old age. To-day, agriculture is taking second rank, and the majority of our people are living in cities and towns. Our urban population now exceeds the rural; and steadily greater numbers of our people are forced to seek employment in the large centralized industries of our growing cities.

Changed Conditions

More than any other group the aged wage-earners have been affected by this progress of industry. Modern machinery with its remorseless force and merciless precision, not only shuts out from gainful vocation the failing eyesight, the enfeebled nerve, and unsteady hand of old age, but its intense strain during the years of vigor brings these disabilities prematurely upon the honest toiler. Nervous exhaustion by overspeeding and the hazards and strain inherent in modern machinery, has shortened the period for effective service by industrial workers. Few persons can play any effective part in modern industry after they have passed the age of three score years. The experience of the elderly mechanic is becoming less and less of value. In his recently published "My Life and Work," Henry Ford states: "As the necessity for production increased it became apparent not only that enough skilled machinists were not to be had, but also that skilled men were not necessary in production." Pound, in "The Iron Man," also shows that the most valuable man in operating automatic machines is the man without any imagination, and, generally, the man with a mentality below the average. It does not take long to fit a man for a job in modern industry. "The rank and file of men," says Henry Ford, further, "come to us unskilled; they learn their jobs within a few hours or within a few days."

Prematurely Displaced

Such is the testimony of great industrial leaders. To the old workers this means, simply, that their advantages of skill and ex-

perience are of little value. The rapidity of this change may be visualized by recalling that the industry Mr. Ford speaks of, employing now many millions of men, is hardly two decades old. Modern industry demands only the young, the healthy, the adaptable, the supple of limb, and the alert of mind. To the wage-earner, middle age is old age. For, as soon as a man is unable to maintain the pace required in present-day machinery production, there is no further place for him. Few industrial workers can expect to continue at their accustomed work until the end of their days. And for the aged worker to find new employment is not an easy matter; for he is wanted nowhere. Thus, at an age when workmen in agricultural pursuits are considered to be in their prime, the industrial laborer frequently is found to have become worn-out and "old."

Obstacles to Independence

Independence and prosperity in old age are most difficult achievements for the wage-earner; because he is constantly subjected to forces over which he has no control, and his destinies are shaped by circumstances not of his own making. To begin with, his wages never take into consideration such exigencies as sickness, accidents, unemployment, and the disabilities of old age. It is often asked, "Why have not the workers in the years of employment, saved something for their support in old age? Why have they not taken out insurance with endowment provisions; or, joined some society giving old age benefits?" The answer is that in flush times, wages are the slowest to rise; while, in periods of depression, they are the first to fall. Still further, their "rise" is the first to halt. Despite the tremendous increase in wages during the war, official government figures show that only in a few cases did this increase keep pace with the increased cost of living.

The highest-paid unskilled labor in the United States—and unskilled labor represents at least one-third of the total amount of labor—is receiving forty cents an hour, or about three dollars and twenty cents a day. If the unskilled worker labors every day in the year at the maximum rate, he can earn eighty dollars a month. How far will this go? In what city can a man rent any kind of house which the wife and mother can convert into a home, for less than twenty dollars a month? If a family of four, consisting of father and mother and two children, were to expend a dollar a

day for food, the aggregate would be thirty dollars a month. This, with the twenty dollars a month rental, would amount to fifty dollars a month. Out of a monthly wage of eighty dollars, this would leave the family thirty dollars. From this thirty dollars, light, fuel, transportation, insurance, household furniture, medical care, medicine, and clothes for the family of four must be purchased. Who could do all this at the present costs without going into debt? Who could save enough to purchase a little home and lay by for the inevitable rainy day when old age and sickness come? None!

Not infrequently it happens that after all efforts have been exerted by a wage-earner in the laying up of a small sum, or after an investment has been made in the purchase of a home, some misfortune befalls—sickness, an accident, the shutting-down of the shop, unemployment, or a strike, and whatever had been saved is consumed. That such cases are not rare, is obvious. There are, in the United States, approximately three million persons sick every day; almost a million accidents occur every year; less than a year ago more than five million wage-earners were without employment—many of them for long periods of time; and even in prosperous times, there are over three million casual workers in the United States.

Need of Legislation

Up to the present time, we have had only one method of solving the problem of the aged dependent. We have been following it for three hundred years. So far, we have not only ignored the changed conditions in our own country, but have also shut our eyes to the fact that Great Britain, the very nation whose methods of aged relief we originally followed, has long ago seen the wisdom of changing its old system. England adopted an old age pension system fifteen years ago; we still cling to the Elizabethan Poor Law of 1601 and send our unfortunate aged to pauper institutions, humiliated, humbled, degraded, and, not infrequently, mistreated. We are all shocked by the ignominy of the poorhouse. There are few things we would not do to avoid such fate for ourselves or for anyone near and dear to us. But we are too apt to remain unconcerned as long as it's "the other fellow" that goes there.

Evils of the Poorhouse

Abundant information disclosed recently by various state commissions has revealed the pitiable conditions of our almshouses.

The poorhouses in the United States are still "catch-all" institutions. Rarely are there strict regulations as to admission or discharge of inmates. There is always a heterogeneous collection. It includes the young and the old, the feeble-minded and epileptics, prostitutes and abandoned babes, inebriates, and worn-out toilers. The poorhouses are the "homes" of both the veterans of labor and the "veterans" of dissipation; "the abodes of vice and of virtue."

The recent state commissions that have been studying the subject are unanimous in conclusion that our poorhouses are inadequate, antiquated, and exceedingly costly—considering the returns. Only in rare instances do they provide real care for the sick. A great majority of the keepers in charge are utterly unfit for their positions. One sees few happy faces in our almshouses. Scarcely at one of them is provision made for recreation and entertainment. Again, the inmates are given mostly coarse and unpalatable food, although the overseers themselves manage to fare somewhat better.

Just recently, the St. Louis *Star* has conducted an investigation of the poorhouses in Missouri, and the conditions uncovered are not only shocking and revolting, but are actually such as would seem unbelievable even in semi-civilized countries. In order to save the county a few dollars a month, men and women whose only crime was that they had given the prime of their lives to promote the prosperity of the state, were placed in the worst of hovels and shacks, where the wind whined through the loose boards and water poured in from a dozen leaks in the roof. The inmates were living on what swill they got from the farmers around. The county judge, under whose jurisdiction was the poor farm, admitted that he would not keep his live-stock in that place, and comforted his conscience by the assertion that the inmates would be better off when dead. An extreme case, doubtless, but it discloses the possibilities of the poorhouse system.

United States is Only Industrial Nation Without Old Age Pensions

One of the most incomprehensible things to me, as an American, is the contemplation that in spite of all our advances socially, philanthropically and economically, we are practically the only nation that still perpetuates this intolerable system of stigmatizing some of our finest and most deserving citizens with the opprobrious epithet of *pauper*. The United States is substantially the only

country that says to her wage-earners, "Keep up your work as long as you can, as long as you are able to produce, and when that time has passed, we shall discard and scrap you, just as we do the machines upon which you are working, when they have outlived their usefulness." This attitude is even more puzzling in view of the fact that we recognize the principle of pensions in the case of our military men, judges, and some other classes, many of whom are far less in need of such relief than are the discarded wage-earners, whose contributions to the country's good are just as important. Every industrial country in Europe now has some sort of old age insurance or straight pension system in operation. Practically all English-speaking countries, as well as Denmark and Uruguay, have straight pension systems. Recent news items have reported that Mexico and Czecho-Slovakia also are considering the adoption of straight old age pensions. How long can the United States remain outside?

Awakening of Interest

Many who are unfamiliar with the precepts of the Fraternal Order of Eagles may wonder about the motives that inspired the Fraternity to enter upon the campaign for the aged dependents so energetically and so earnestly.

The Fraternity is built basically upon the home and is dedicated to promoting the welfare and integrity of that institution. We are very much concerned with the happiness of the American family. It is because of this that we have taken part in the campaigns for workmen's compensation legislation and mothers' pensions. In practically all our states the widowed mothers and their children are kept together. This has been found satisfactory to all concerned, and no state having adopted these measures has returned to the old methods. It is unjust and cruel to separate and send to the poorhouse a man and his wife after thirty or forty industrious years together, just because industry has no further use for them. It is largely their efforts that have made possible our prosperity and happiness, and they have a right to comfortable support in old age. In their labors for society and in bringing up their children to manhood and womanhood, they have made a social contribution which entitles them to freedom from anxiety and to economic safety to the end of their days.

There is no longer the apathy and indifference that had prevailed. For, essentially, our people are just, kind-hearted, and willing to

help. They only need to be awakened from their lethargy. The very people who for years were apparently unconcerned when they condemned their worthy aged to a life which they would not willingly mete out to their live-stock, responded most generously to the appeal of the St. Louis *Star,* once the actual conditions were disclosed. Citizens who had strenuously objected to an increased tax of a few mills, gladly sent in ten dollar bills to help provide comfort for these aged persons.

Awakening of the public conscience is, I think, one of the especial services that our Fraternity can render to the cause of the dependent aged. Through our 2,100 aeries scattered throughout the country, through our five hundred thousand members, and by means of our magazine, special bulletins, and hundreds of thousands of specially-prepared pamphlets, as well as through a series of newspaper articles we can help to awaken the American people from one end of the country to the other to the harsh privations endured by the aged under our present system. Perhaps no social cause in the United States ever had more effective championship than now has the cause of old age pensions. Not only have the needs of the aged been presented to the attention of governors, senators and congressional representatives, as well as to many state legislators, but planks favoring old age pensions have been inserted in a number of state party platforms during the recent election campaign. In several states, legislative candidates ran on the sole issue of old age pensions, and in numerous instances, those favorable to this legislation were elected, while some that were known to be opposed were defeated. By means of educational campaigns during a year and a half public opinion has been directed to this question as it never had been before. Thousands of columns of newspaper publicity as well as scores of editorials on this question have already been published throughout the United States. Numerous clergymen, educators, professional and business men and political leaders have promised earnest support to the cause.

As a result of this educational propaganda, the standard old age pension bill—drafted after careful study of the investigations and bills prepared by the various state old age pension commissions, with the co-operation of the American Association for Labor Legislation—will be introduced in a score of state legislatures and we are hopeful of its enactment in a number of them during the year 1923.

"A Constructive Social Policy Is Necessary" to Meet Problem of Old Age

From an Editorial in the Fall River (Mass.) *Globe*

"THANKS to a number of Government commissions which conducted thorough investigations in the states of Massachusetts, Wisconsin, Pennsylvania and Ohio, we have positive statistical knowledge of the numbers of the aged poor and of the actual conditions confronting the aged and also of the causes that produce their dependency. These official calculations warrant the conclusion that approximately one of every three persons reaching the age of sixty-five years will become dependent either upon charity or relatives, while one out of every five persons in that period, will incur the stigma of pauperism.

"One of the outstanding disclosures of these state investigations is the fact that dependency in old age is not necessarily the result of any lack of industry or of the inclination to be thrifty. Nearly one-third of almshouses paupers investigated at random in Pennsylvania were found to have worked for the same employer for ten years or more, while almost two-thirds served from three to ten years. Furthermore, about 10 per cent once had property or savings each amounting to over $2,000 in value. These accumulations of years had been wiped out by various misfortunes and accidents.

"The chief cause of poverty in old age is the fact that workers in modern industry cannot remain at their regular work beyond a certain age. As in the case of the machine, there comes a time when the worker whose powers are slackening, must for the good of the industry, be ruthlessly scrapped.

"Dependency in old age due to improvidence, intemperance, thriftlessness, or vice, therefore, is the exception rather than the rule. It must be laid to the demands of our driving industry which necessitates the scrapping of the worker at an earlier and earlier age. It is a by-product of our social and economic organization and can not be remedied through private charity. A constructive social policy is necessary, and many believe the remedy is to be found in the Old Age Pension System."

Stabilizing Employment: Official Findings

Conclusions of Business Cycle Committee of President's Unemployment Conference

By Frederick W. MacKenzie

THE "continuing committee" on business cycles created by the President's Conference on Unemployment to make constructive recommendations for stabilizing business and industry and combating involuntary idleness, has made public its conclusions. Briefly summarized, the committee's recommendations include:

(1) **Collection of fundamental data,** by federal and state agencies to aid business men in forming judgments as to the business outlook.

(2) **Larger statistical services** through "the expansion and standardization of the statistics now collected by the state and federal bureaus, the publication of employment statistics by the federal bureau of labor statistics, and the final summation and publication of all of these statistics by the department of commerce, in order that there may be promptly available a connected uniform series of facts about the trend of business."

(3) **Research** carried on by private organizations and continuously by the government bureaus "into economic forces, into business currents, and into broad questions of economic method."

(4) **Control of credit expansion by banks generally.** "To guide his policies the banker, like the business man, needs access to a large fund of knowledge about the general trend of business activities, and because he is a specialist in finance the banker has a peculiar obligation to give sound advice to his customers."

(5) **Possible control of inflation by the Federal Reserve System—**"a problem worthy of most careful and thorough study by bankers and associations of bankers."

(6) **Control by business men of the expansion of their own industries.** "Planning production in advance and with reference to the business cycle, laying out extensions of plant and equipment

ahead of immediate requirements with the object of carrying them out in periods of depression, and carrying through such construction plans during periods of low prices in conformity with the long-time trend; the accumulation of financial reserves in prosperity in order to mark down inventories at the peak, and the maintenance of a long view of business problems rather than a short view, will enable firms to make headway toward stabilization."

(7) **Control of private and public construction at the peak.** "Holding back public works and private construction for periods of depression not only gives employment to large numbers of workers when it is most needed but creates a demand for raw materials for construction which in turn stimulates other industries to offer employment. * * * The committee calls attention to the need for careful drafting of laws to insure a policy of reserving public works projects, if this is to be done effectively."

(8) **Public utilities** find the normal time to finance new construction or improvements is "in periods of depression when interest charges are reasonable and costs of construction low, but the delays encountered at such times in obtaining the necessary authorizations by public regulating bodies may in many cases be such that the favorable money market is lost. This is a problem to be studied by public service commissions and similar bodies which can by prompt action meet this difficulty."

(9) **Unemployment reserve funds** "from which the worker may draw during periods of compulsory unemployment" are "one of the important methods advocated as tending toward relieving the fluctuations of business. * * * The idea of employer, employee or both contributing during periods of employment to a reserve fund under separate or joint control * * * merits consideration. * * * The principle may well be extended."

(10) **Employment bureaus.** "A national system of employment bureaus was recommended by the President's Conference on Unemployment, and the committee gives hearty approval to that recommendation."

Where the Ten Points Fall Short

There is, in these recommendations, recognition on the part of the committee that unemployment is a problem of industry. That is fundamental. Recognition of the responsibility of industrial managers for planning regular employment is a necessary prelimi-

nary to the adoption of effective measures to stimulate and aid industry in meeting its responsibility.

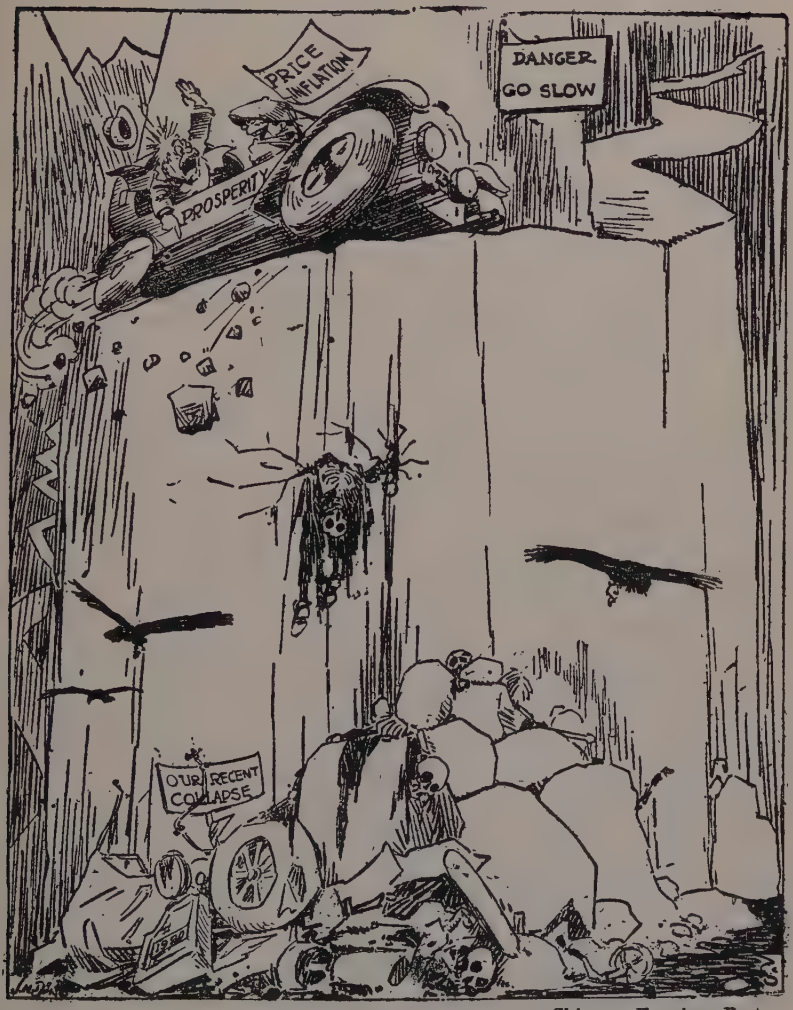
But the committee's conclusions as to remedial measures are disappointing. Throughout the brief report of thirty pages there appears little evidence that the committee realizes that the regularization of industry calls for social action. Indeed the possibilities of striking at the root of the problem through social action—making employment more steady through unemployment compensation laws just as we are now making it safer through accident compensation laws—are ignored, except for a vague warning.

All emphasis is upon private initiative and voluntary effort. Appeal is very properly made to employers, bankers and financiers to set their own house in order, with the suggestion that they may be assisted by the further development of statistical and information services under government auspices.

But to stop at this point is in curious disregard of all experience. Problems of industry involving widespread social evils have never been solved by the good will and voluntary acts of scattering individual employers. While individual employers have frequently set a good example, the vast majority have waited upon some uniform measure of social compulsion to raise the standards of all competitors in keeping with the general welfare. Already a number of American employers have pointed the way to the stabilization of business by successfully establishing unemployment reserve funds. But it is only through legislation that enlightened industrial standards have been applied universally.

Further constructive recommendations were legitimately expected of this important official committee. The occasion was propitious; the need is still great. In view of the soundness of many of the committee's ten points, it is to be regretted that they should have fallen short of a complete, constructive program of prevention —a failure to carry forward which has given rise to the impression that what the "continuing committee" most needed was not "more time" but greater social vision and more courage.

One Reason for "Cycles" of Unemployment



—Chicago Evening Post

"Some folks never learn anything from experience!"

"Opposed to All State Funds"

The following deadly parallel indicates how difficult it is for the most estimable gentlemen to keep the record clear when once involved in the commercial "casualty insurance game."

WHAT MR. JONES AND MR. WHITNEY SAID TO CINCINNATI CHAMBER OF COMMERCE.

(From "Study of Workmen's Compensation Insurance Laws and Service, Monopoly or Competition, with Recommendations" by the Impartial Committee on Workmen's Compensation Insurance to the Cincinnati Chamber of Commerce, pp. 398-399.) 1922.

"**Mr. Martin** (Chairman of Impartial Committee on Workmen's Compensation Insurance of the Cincinnati Chamber of Commerce): What is your position, Mr. Jones, on a competitive state fund?

"**Mr. Jones** (Director, Workmen's Compensation Publicity Bureau[1]): Why, as a theoretical proposition I do not see any objection to it. I believe in giving the employer every reasonable opportunity of making up his mind as to where he is going to get the best insurance and the best service. **I have never opposed competitive insurance in any state.**

"**Mr. Martin:** Do the insurance companies themselves oppose it, generally speaking?

"**Mr. Jones:** I do not know of a single company that is opposing competitive state insurance; do you, Mr. Whitney?

"**Mr. Whitney** (Associate General Manager, National Bureau of Casualty and Surety Underwriters): No.

"**Mr. Martin:** Would you strenuously oppose it in the state of Ohio?

"**Mr. Jones:** I certainly would not.

"**Mr. Whitney:** When I went into the Bureau, I remember that I rushed over the day they elected me and delivered an oration to them. I said, I want you to understand that I am opposed to a monopolistic state fund; and I do not know what your feelings about it may be, but I want you to understand **I am never going to oppose competitive state funds.**"

[1] A national commercial insurance organization engaged in fighting legislation for state funds for workmen's insurance.

WHAT MR. WHITNEY SAID TO LOCKWOOD INVESTIGATING COMMITTEE IN NEW YORK.

(From "Intermediate Report of the Joint Legislative Committee on Housing," pp. 228-229.) 1922.

"The following provisions from its [National Bureau of Casualty and Surety Underwriters'] by-laws constitute the keystone in its campaign against the state fund and the mutuals:

"'*Resolved,* That there is a vital difference between state insurance funds and all other forms of insurance recoverage and this Bureau and its membership should **openly and consistently oppose** by all proper means **state insurance funds as they now exist as well as the establishment of such funds in states where they do not exist.**'

"**Mr. Whitney** testified on this subject (p. 6277):

"'The Bureau has put itself on record as being opposed to the state fund in this state. **It is opposed to all state funds.**'

"Resolution No. 17 of the Bureau (p. 6284):

"'That it is the duty of the members of the Bureau to act together in an effort to preserve the administration and control of the business of its members; this statement of the right of self-regulation is, however, merely an academic declaration unless there goes with it a recognition of the **obligation of every member to yield immediate, complete and constant obedience to Bureau rules.**

"'With such obedience the Bureau can successfully combat every effort toward undue control from any outside source.[2] Without such obedience outside control is probably inevitable.'"

[2] Such "outside source," Mr. Untermyer, counsel to the committee, pointed out to the legislature, means the state itself.

Public Interest Calls for Exclusive State Fund

City Club of New York Favors Legislation to Eliminate Commercialism from Workmen's Insurance

(From Bulletin of the City Club of New York, April, 1923.)

UNUSUAL interest in accident compensation insurance has followed the introduction at Albany of legislation to make the state fund the exclusive method of insurance under the workmen's compensation law. This amendment has the backing of the official housing committee interested in promoting building construction in New York City, and is strongly urged by the organized wage-earners as a result of eight years of practical experience under all of the different insurance methods.

The City Club took action in support of this measure after the usual careful consideration by sub-committees and by the board of trustees.

When the state amended its constitution, so as to revolutionize the system by which employees receive compensation for injury, it assumed a social function which carried with it the responsibility of performance. In fact, the function has been only partly performed. Employees awarded compensation have suffered by reason of the failure of insurance companies chosen by their employers, by delays in payment through litigation, and by pressure for settlements for less than the award.

An official investigation recently conducted in this state indicated underpayments on the part of commercial carriers amounting to over $5,700,000, in a period of four years. Moreover many employees, after injury, have found themselves without protection owing to the failure of their employer to insure. **This evil can be completely avoided only by compulsory insurance in one state-wide fund.**

This, however, is only a part of the criticism to be made. The public also has suffered. The cost of the insurance in private companies is universally much greater than through a state fund. In the report of the committee of the House of

Representatives of a bill to establish workmen's compensation for the District of Columbia, it is stated that the average overhead expenses of exclusive State Funds are only 7½ per cent as compared with 37½ per cent for stock companies; while in Ohio, where the exclusive fund has been in force for some years, the expense ratio is considerably less. **It is urged that this is a matter which concerns only the employer, but it is manifestly not so. The added cost is passed on to the public.** Particularly in building operations under a cost plus contract, the employer is not concerned in the least with the cost. Official investigations invariably result in conclusions favorable to the adoption of the exclusive fund plan, the federal government's survey resulting in the conclusion that if all employers in the United States had insured in exclusive state accident compensation funds in 1919 the saving to industry would have been not less than $30,000,000. In exclusive state funds the cost is considerably less than in competitive state funds. This is not only so as the statistics show, but it necessarily must be so because the larger the fund the smaller the ratio of overhead charges.

We realize, of course, that exclusive state insurance is a monopoly, but it is a public and not a private monopoly. So also is the Post Office Department, but none of us would favor, I assume, competition in that field. Argument against a public monopoly rests solely upon inefficiency, and in this case it is not applicable, because the state does all the work, efficiently or inefficiently as the case may be, except the payment of the award, and even in that matter it has to see that the award is paid.

In making the payment of accident compensation compulsory the state has in effect levied an occupation tax to provide payments to those disabled in employment. This tax is ultimately borne by the consumer. As the state normally collects and disburses its taxes, the consumer may justifiably demand that the collection of this particular occupation tax shall not be farmed out for private gain.

Exclusive state funds, where tried, have been uniformly successful. They have been tried in eight out of seventeen states which have workmen's compensation insurance, and in six out of the nine provinces of Canada, not to speak of foreign experience. We believe that in New York, because of its great interests, we shall get more valuable results from an exclusive fund than anywhere else.

"The New Phase"

"THE principle of compensation is now generally accepted," says an article on "Compensation—the New Phase" in *The Survey*. "All but six states and the District of Columbia have some sort of workmen's compensation law upon their statutes. After almost a century of tense struggle that fight has been won. The current discussion involves a new principle, namely, that of the exclusion of private enterprise from this field and the assumption by the states of a monopoly of the compensation insurance business. The traditional point of view has been that the state, in the exercise of its sovereign powers, is the maker of the rules of the business game and the arbiter of the game under the rules. This conception of the state as the heir of the ancient monarchical sovereign is gradually yielding to the conception of the state as the administrative agent of the people for the accomplishment of social ends. * * * If New York should join Ohio, Oregon, Washington, Nevada, North Dakota, Porto Rico, West Virginia and Wyoming in making the state fund the exclusive carrier of workmen's compensation insurance, her action will have a significant effect in transforming the popular conception of the state as the paternal sovereign into the conception of the state as primarily an administrative agency for carrying out the sovereign will of the people."

"Living Wage" Essential to Industrial Stability

THE economic order must be adjusted to the 'living wage' as a minimum basis, and be maintained on this basis before a composed and profitable industrial era is possible."

So declares William G. McAdoo, former secretary of the treasury and director general of the railroads, in an article in *Labor*. He takes issue directly with a statement of Chairman Hooper of the railway labor board that characterized the living wage as "mellifluous phraseology."

"It is surprising," says Mr. McAdoo, "to find that the principle of the living wage, long accepted by enlightened opinion everywhere, has been challenged. **Denial of this principle in wage adjustments offends every principle of economic justice and order.**"

Mr. McAdoo points out that the Declaration of Independence, in naming "life, liberty and the pursuit of happiness" among the "inalienable rights" of all citizens, does not refer alone to political rights but includes economic rights as well. "Governments are established to secure to the individual enjoyment of economic as well as political rights." And, he continues:

"**The fundamental of life is the opportunity to work and the right to receive for that work a wage sufficient, at least, to sustain the life of the worker and provide reasonable comforts for his family and education of his children. Civilization means that if it means anything at all.**

"There is a constant cry for efficient labor, but how can under-fed, under-educated, under-supported, unambitious labor be efficient? How can discontented labor be efficient?

"**If efficiency pays, then it pays to get efficiency—and the only way to get efficiency is to pay labor a wage that will feed its strength, clothe its body, maintain its health, improve its intelligence, compose its mind, and sustain its family in reasonable comfort.** * * *

"In establishing the living wage, the basis should not be merely enough to enable the worker and his family (a standard number in the family is necessarily assumed) to exist. It must be sufficient to enable the thrifty and industrious worker to maintain himself and family in reasonable comfort, educate his children, and save something against emergency and old age. It must be an adequate wage as well as a living wage. * * *

"The adequate wage which promotes and produces efficient and contented labor, thrift and savings will do more than any other thing to destroy strikes and the evil of poverty which in itself is one of the most serious indictments of the efficiency, sufficiency and humanity of the modern social order.

"We must not take any step backward, not even the fraction of a step backward in dealing with the 'living wage.' The elevation and security of modern society rest upon its general acceptance and jealous preservation."

Minimum Wage Law in Massachusetts

(Extracts from Report of Special Legislative Investigating Commission, February 9, 1923)

"THE legislature did not deem it wise at the time of the passage of this legislation to provide for penalizing the employer in case of his failure to comply with a decree of the commission, in the manner recommended by the commission. Provision was made, however, for advertising an employer who refused to comply with a wage decree. * * *

"In September, 1918, an opinion was rendered by the supreme judicial court of Massachusetts declaring the minimum wage law constitutional in all its essential provisions. * * *

"Wage decrees fixing minimum rates for women and girls have been rendered for sixteen different occupations employing from 70,000 to 80,000 women employees. * * *

"There has been given in the various hearings which the commission has held a great amount of testimony in opposition to the minimum wage law and in favor of its repeal. * * *

"The decrees of the [minimum wage] commission are not enforcible by the same means nor to the same extent that the decrees of boards in other states are. The measure is what it has been termed,—'a recommendatory law.'

"A former member of the minimum wage commission, speaking before this commission, said:

"It should be remembered that conditions were then ideal for the law, since wages were rising and help scarce, which meant either that current wages were always safely above the scale of the decree, or business was so rushing and employees so hard to get that no one cared long to quibble over their pay. * * *

"The commission recommends that the law be continued for a period of five years, and that the department of labor and industries be authorized and directed to gather, in the meantime, such information and facts as will make it possible to determine more accurately whether the legislation is justified or required. With almost united opposition of employers throughout the commonwealth, the commission is compelled to recognize the fact that the minimum wage law is extremely unpopular among most employers in the commonwealth. It is also recognized that the minimum wage commission is somewhat handicapped in administering the law because of the existing antipathy to it."

One of the nine members of this official investigating commission recommends that the minimum wage law be made mandatory.

"Down to Bedrock" in Compensation Insurance

ADVANTAGES, including great economies, to employers insured in the California state fund for industrial accident insurance, are officially acknowledged in a letter of April 11 from Chairman A. D. Lasker of the United States Shipping Board to the manager of the state fund.

"I have just been advised," Mr. Lasker writes, "that the state compensation insurance fund of California has returned to the shipping board a dividend check for the period of operation from October 10, 1921, to October 10, 1922, amounting to 47 per cent of paid premiums of $35,638, or $16,750. This is such a creditable and unusual showing that I cannot refrain from expressing briefly my appreciation of the service your organization is rendering in connection with shipping board operations. I have heard nothing but good words about the way our business is being handled by you and the financial result would indicate that we have gotten down to about bedrock, so far as costs for this particular class of insurance are concerned."

◇

"Mark Daly Reappears"

IN New York the eight-hour day and the minimum wage bills for women workers failed of passage at the 1923 session of the legislature. As part of the tactics employed by opponents of the minimum wage bill, a move was made by Assemblyman Charles P. Miller, chairman of the labor and industries committee, and by Senator Ames to have a legislative commission appointed to inquire into the need for this legislation. Commenting on this move (which, however, did not get by the Senate), Maud Swartz, president of the National Women's Trade Union League, under the heading of "Mark Daly Reappears," wrote that it "is simply a gesture to delay this legislation," and added:

"It is significant that the suggestion for this investigation had previously been made by Mr. Mark Daly of the Associated Industries. Strangely enough certain parts of the resolution as introduced by Assemblyman Miller and Senator Ames are the exact words of Mr. Daly. In March, 1920, in a pamphlet, copies of which are still to be had on application, the New York League of Women Voters exposed the Daly lobby and its sinister influence in blocking all progressive and industrial measures in Albany. For some time Mr. Daly was a little less conspicuous at the capitol, but he is back at work."

◇

"INDUSTRY has progressed and flourished simply because the pioneers and captains of industry have defied and broken precedent," said John Hopkins Hall, state commissioner of labor of Virginia, in an address at the convention of the **International Association of Governmental Labor Officials of the United States and Canada**, at Richmond, May 1. "Because our ancestors used a candle light should we be denied the use of electricity? Because they rode on horseback should we refuse to use the automobile or aeroplane? Because our forefathers' courts tried people for witchcraft should we still believe in witches? Modern life and industry have produced new problems which must be considered in the light of things as they exist."

Ethical Culturists Produce Unemployment Program

THE following Unemployment Program of the Business Men's Group of New York Society for Ethical Culture represents the maximum of common agreement that the Group found it possible to achieve in connection with the subject under consideration:

General Principles

1. That unemployment under modern conditions can no longer be attributed to personal short-comings and that it is incumbent upon the community as a whole to make provision against it.
2. That every employer should recognize his responsibility for the steady employment of his workers.
3. That every industry should recognize unemployment as a charge upon itself and should be organized for the purpose of assuming responsibility for steady employment when the individual employer is incapable of coping with the situation. When necessary, this should be achieved through co-operation with other industries as well as through governmental legislation.
4. That it has become necessary for the government to assume responsibility for providing employment when other agencies fail to cope with the problem.

Essential Methods

As indispensable means of meeting the problem of unemployment, the Group suggests:

1. That the employers and workers in each industry provide for the equitable distribution of work during periods of slack and unemployment, and that they jointly maintain a transfer office for the purpose of adjusting the supply of labor between different plants or localities as working and seasonal conditions make necessary.
2. That in each industry the employers and the workers establish a joint planning board, the chief purpose of which should be to devise means and methods of keeping the industry as fully employed as possible throughout the year.
3. That each employer and employee be required to contribute to a common insurance fund for their industry.
4. That the insurance contribution of the employers be so graded as to fall lightest upon such of them as succeed in so regulating their work that they have least unemployment and heaviest upon those whose employment is most irregular, and that the fund be administered jointly through a council representing the workers and the employees.
5. That it be legally established that the fund be made available for the alleviation of the condition of unemployed workers in the industry.

The Responsibility of the State

Supplementing what the various industries can do for themselves, the Group suggests that the State should make itself responsible for the following:

1. That through a government planning board—in co-operation with the planning boards in the different industries—it should so regulate its purchases and expenditures as to create employment when it is most needed. (The word "State" is used to include the federal, state, county and city governments.)
2. That the State should plan long-range public improvements capable of immediate expansion or contraction as the conditions of employment make necessary. This should include the provision of ready money available for immediate expenditure when called for.

International Labor Legislation

THE fifth session of the **International Labor Conference** (League of Nations) will be held at Geneva, October 22, 1923, continuing for not more than one week. The governing body of the official International Labor Office, in making this decision in April, unanimously recognized that for practical reasons it would be desirable to hold the meeting in the spring; but the peace treaty expressly provides that a Conference must be held at least once every year. The 1923 meeting will have only a single item on the agenda—**"General Principles for the Organization of Factory Inspection."** It was also decided to hold the following session, of normal length, in the latter half of June, 1924.

IN thus limiting the scope and duration of the 1923 Conference, the governing body postponed all but the second item of the agenda that had been decided upon at an earlier sitting in February. That agenda had included—

1. **Development of facilities for the utilization of workers' leisure;**
2. **General principles for the organization of factory inspection;**
3. **Equality of treatment for national and foreign workers as regards workmen's compensation for accidents;**
4. **Weekly suspension of work for twenty-four hours in glass-manufacturing processes where tank furnaces are used.**

At the February sitting it had also been decided that a proposal to add the question of night work in bakeries to the agenda should be discussed at the next conference, as well as the question of the compulsory disinfection of wool, hair, bones, horns and hoofs infected with anthrax.

A GENERAL meeting of the **International Association on Unemployment** will be held in the autumn of 1923, at a place and date to be announced later. In addition to questions affecting the internal organization of the Association, the following subjects will be considered:

1. **Emigration and colonization as remedies for unemployment;**
2. **Unemployment benefit and relief works;**
3. **Remedies for unemployment amongst intellectual workers (discharged civil servants, technicians, etc.).**

JAPAN has set up **a permanent imperial office** at Geneva to deal with matters relating to the International Labor Organization.

A CONVENTION providing for the unification of protective labor laws was adopted at the Conference on Central American Affairs which met in Washington from December 4, 1922, to February 7, 1923, at the invitation of the United States government. The convention constitutes an agreement between

the five republics of Central America—**Guatamela, El Salvador, Honduras, Nicaragua and Costa Rica**—to pass legislation including one day of rest in seven, prohibition of child labor and night work for women, establishment of free employment agencies, and compulsory workmen's insurance.

ITALY has, by an act of parliament, February 9, 1923, put into effect the Berne Convention of 1906 **prohibiting the use of white phosphorus** in the manufacture of matches. The convention was to have been made effective in 1915, but action was delayed by war conditions.

CANADA is arranging to convene, perhaps in early summer, an interprovincial conference to consider the **eight-hour day** and other Conventions of the International Labor Conference.

A REPORT to the sixteenth annual meeting of the Canadian Social Service Council, by the child welfare committee, strongly endorsed the Washington Draft Convention for the protection of women workers. It urges that pressure be brought to bear upon the provincial governments with a view to the adoption of compulsory maternity insurance for women, including not only medical and nursing service, but also a cash benefit.

COUNCILLOR DR. HANS VON NOSTITZ-DRZEWIECKI, president of the Saxon supreme court, has been unanimously elected president of the **German Association for Labor Legislation.** Dr. Philipp Stein, Mr. Th. Leipart, president of the General Federation of Trade Unions, and Dr. Giesberts, former federal minister of posts, were elected vice presidents.

AN official investigation committee in Great Britain recommends that legislation be adopted to give effect to the principles embodied in the Geneva Draft Convention of 1921 to protect painters against **white lead poisoning,** and that regulations be adopted as soon as possible to deal with the continued use of lead paint. The committee does not recommend the entire prohibition of lead paint, since it finds no effective substitute for outside painting, but holds that the extent of poisoning due to the use of lead paint is so serious as to make it most desirable to limit its use.

THE place at which the **International Congress of Social Politics** will be held in the first week of December, 1923, will be decided by a committee of the **International Association for Labor Legislation** at a meeting in July.

A DRAFT code recently submitted by the minister of health, labor and social welfare of **Roumania** to the committee on labor legislation attached to the ministry, includes the general principles of an eight-hour day, compulsory weekly rest day, compulsory health and accident insurance for all workers in industry and commerce, and extension of the social insurance act of 1912 to include measures for the prevention of unemployment.

Book Reviews and Notes

The Industrial Code. By W. Jett Lauck and Claude S. Watts. *New York, Funk and Wagnall, 1922. 571 p.*—A plea for legislative establishment of an industrial code defining and promulgating fundamental principles to govern the relations of capital and labor in order "to promote and preserve industrial peace, to insure equal and exact justice to both elements in industry, and to safeguard the public interest."

Human Australia. By Charles Franklin Thwing. *New York, Macmillan, 1923. 270 p.*—An interesting study of Australia and New Zealand; whose people, he says, "bear peculiar affinities" to those of the United States. In a chapter on "Industrial Experimentation and Unrest" President Thwing discusses the industrial boards and arbitration courts which he concludes offer no promise for ending strikes.

The Decay of Capitalist Civilization. By Sidney and Beatrice Webb. *New York, Harcourt, Brace & Co., 1923. 242 p.*—At a period when capitalism appears to be firmly intrenched this work is of special significance. The Webbs describe the widespread poverty and unemployment, inequality of income, the wastefulness of the capitalist system, and more recently such onslaughts as those against the Trade Boards and the social insurances. They call attention to capitalist attempts to force the wage-earners into unfortunate channels of direct action and they offer this book to bring about a better understanding if possible, "in the hope that it is not always inevitable that Nature should harden the hearts of those whom she intends to destroy."

Capital's Duty to the Wage-Earner. By John Calder. *New York, Longmans, Green, 1923. 326 p.*—Admitting that industry owes those it employs a decent living standard, security of employment, a voice in determining the conditions of work and a chance to rise, the author, an industrial engineer, finds the solution in enlightened management, workers' economic education, and justly-organized plant schemes of employee representation under a continuing system of capitalism.

Labour Legislation in Canada for the Calendar Year 1922. *Department of Labour, Ottawa, 1923. 88 p.*—A brief summary of dominion and provincial legislation of 1922 accompanied by the full text of new laws and amendments. Contains a detailed cumulative index indicating the existing status of all Canadian labor legislation.

The Women's Bureau, Service Monographs of the United States Government, No. 22. By Gustavus A. Weber. *Johns Hopkins Press, Baltimore, 1923. 31 p.*—Describes the history, organization, and activities of this bureau of the United States Department of Labor, and includes a table of salaries, a brief financial statement, and a complete list of bureau publications.